

# **SOUTH AFRICA SURVEY**

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MILLENNIUM EDITION

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## INTRODUCTION

This year the Institute, which was founded in 1929, celebrates its 70th anniversary with the publication of this Millennium Edition of the *Survey*. This volume covers the state of play in South Africa in all major areas on the eve of the third millennium. As far as possible the *Survey* also provides an overview of trends over the last decade or more and in some cases as far back as 1946. The intention is to give our readers not only a series of ‘snapshots’ at particular moments in time, but also the ‘moving picture’ as to how income or education levels or crime rates, for example, are changing. Wherever possible, information presented in tables is also turned into graphs or charts.

The *Survey* contains some new features. A *Diary of Events* has been added to assist readers in tracking important events as well as developments of more general interest on a month-by-month basis. We have also added a list of all parliamentary legislation passed during 1999, irrespective of whether the legislation is relevant to the contents of the *Survey*. Another new feature is a list of cabinet ministers since 1994.

Our focus in most chapters is usually on the results of policy implementation or ‘outcomes’. Accordingly, there is more on legislation passed (or acts) than on bills.

The chapters are not designed to be read independently of each other—where appropriate, cross references have been added to other chapters, or references given to earlier *Surveys*, for the convenience of our readers. Unavoidably, this is a bulky book. To help readers find their way through it we have provided not only a general contents page but also a detailed contents page, as well as a list of graphs and charts in front, and, of course, an index at the back.

While we were in the midst of writing the *Survey*, Statistics South Africa revised the country’s national accounts and adopted a new base year (1995) from which calculations of the national accounts are made. Although most of our chapter on the economy had been written, we decided to update it with the new data, which delayed publication. (However, it was not possible at the time of writing to update budget figures in the other chapters as these had not yet been revised by the Department of Finance.) The later publication date dovetailed with our plan to identify the *Survey* year as 1999/2000 instead of 1998/99. A full list of previously published *Surveys* is included at the end of this volume.

As always, the *Survey* endeavours to publish only the most up-to-date information. However, sometimes data from government departments is not always published timeously or is not easily accessible. In such cases the latest available data are used. For example, this *Survey* contains the final 1996 census figures (the figures in the previous *Survey* were preliminary). These figures were published by Statistics South Africa in October 1998, two years after the census was conducted. (More recent population estimates are

also included, of course.) Where information became available after chapters were written we have included (and referenced) it in the *Bird's Eye View* or *Key Points* sections, which therefore serve as a kind of 'stop press'. Information in these sections which is extracted from the chapter that follows is referenced only in the chapter. Very late additions to *Bird's Eye Views* or *Key Points* are not referenced.

The *Survey* contains only a fraction of the information available at the Institute. Members seeking more recent statistics or other information are encouraged to telephone our library at 403-3600, fax it on 403-3671, or e-mail it at [sairr@icon.co.za](mailto:sairr@icon.co.za). Members are also invited to e-mail our research staff on [research@hixnet.co.za](mailto:research@hixnet.co.za). Readers who are not Institute members are invited to join using any of these addresses or those given on the opposite page.

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We are indebted to Elizabeth Sidiropoulos for her work in editing and proofreading the chapters. Elizabeth left the Institute after eight years of devotion to the *Survey*. We would like to thank her and wish her the best for the future.

Our appreciation also goes to Connie Matthews, Sarah Zwane, and Lindsey Morton for once again typesetting and/or proofreading the *Survey*. We have come to depend greatly on their expertise and willingness to walk the extra mile in order to get the *Survey* ready.

The Institute's chief librarian, Ellen Potter, assisted by Eunice Halo, Mildred Monyane, Alfred Nkungu, and Prisca Nkungu obtained much of the material and provided the excellent press clipping service essential for the writing of the *Survey*.

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typeset manuscript. Once again Naomi Musiker compiled the extensive index, for which we are most grateful.

Finally our thanks go to John Kane-Berman, the Institute's chief executive and editor-in-chief, who provided the vision and drive to produce this Millennium Edition. Under his guidance we have produced what we believe is the most reliable and up-to-date record of events and statistics currently available in South Africa.

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## **NOTES**

1. The abbreviations MPL and MEC in the *Survey* refer to members of the provincial legislature and members of the executive council of a province. Although the press sometimes refers to provincial MECs as ministers, the *Survey* follows the nomenclature of the constitution.

2. Abbreviations used in the charts, graphs and tables refer to the following:

EC

—

Eastern Cape

FS

—

Free State

Gau

—

Gauteng

KN

—

KwaZulu-Natal

Mpu

—

Mpumalanga

NW

—

North West

NC

—

Northern Cape

WC

—

Western Cape

3. The new constitution, which entered into force in February 1997, has altered the name of the Appellate Division of the Supreme Court to the Supreme Court of Appeal. The provincial and local divisions of the Supreme Court are now High Courts. The *Survey* uses the new nomenclature.
4. References to **Fast Facts** and **Frontiers of Freedom** are respectively to monthly and quarterly publications dealing with current events, published by the Institute.
5. Following the general election in June 1999, various portfolios in Parliament, the executive, and the provincial legislatures changed hands. The *Survey* refers to people by their designation at the time of the event described. Similarly, the National Party changed its name to ‘New National Party’ shortly before the election. The *Survey* contains references to both names, depending on when a particular event was recorded. During the period under review the Central Statistical Service (CSS) changed its name to ‘Statistics South Africa’. The *Survey* uses both the new name and the old one, depending on the name in use at the time that a given report was published.
6. Discrepancies in the spelling of names or the styling of portfolios and ministries often occur in the press. The *Survey* uses *Hansard* and the *Who’s Who of Southern Africa* as its final authorities—we assume that they are more reliable than newspapers or websites, although *Hansard* spellings sometimes vary from time to time.
7. Figures on government finances in this *Survey* cannot always be reconciled with one another. This is because such figures are updated from time to time during the year; the *Survey* tries wherever possible to capture the latest figures, but it is not always possible to delete or amend the earlier ones. This also applies to national accounts and other official data.
8. Readers will notice that in many cases tables contain a footnote saying that ‘figures should add up but may not, owing to rounding’. This rounding may either be done by the Institute or by the agency from which the material was o

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## **POPULATION**

### **BIRD'S EYE VIEW**

The final results of the 1996 census were published by Statistics South Africa (Stats SA) in October 1998. The size of the population was calculated at 40.6m, which was 2.7m people more than the preliminary results of the census suggested. Stats SA estimated that the population was increasing at an average annual rate of 2% (excluding net migration). By mid-1999 the population had grown to 43.1m.

Certain statistics from the final results of the 1996 census differed from earlier projections in a number of ways. At a round table debate hosted by the Centre for Development and Enterprise in October 1998 (and in which Stats SA participated), it was suggested that these statistics should be crosschecked with other sources, or researched further. For instance, the number of African men seemed too low (in terms of the male/female ratio of this population group). Analysts suggested that up to half a million African men could be missing from the figures, and the reason for this could be the high mobility of this group. The number of children in the 0–4 age group also seemed too low. Stats SA said that given the fertility estimates from the census data, this age group should have been at least the same proportion as the 5–9 year olds. Furthermore, some 300 000 whites appeared to be missing from the figures. Stats SA suggested that they were either not counted originally (and were missed again by the post-enumeration

survey), or they had emigrated without informing the Department of Home Affairs. The 1996 census found that almost 54% of the population was urbanised, while projections from the 1991 census put the urban population at 48%, raising questions about the rate of urbanisation. There were also anomalies in the classification of certain areas as rural or urban.

The United States Census Bureau in 1998 revised its estimate of average life expectancy in South Africa from 65 to 56 because of AIDS. The population growth rate estimate was also revised from 1.9% to 1.4%.

The Divorce Courts Amendment Act of 1997 came into effect during the period under review. The act provided for people of all races to obtain a divorce in either the High Court or the Central Divorce Court. Previously, obtaining a divorce in the Central Divorce Court was limited to Africans. Litigants do not require legal representation in the Central Divorce Court, so the process is less costly.

Customary marriages (those concluded in accordance with customary law, ie the customs and usages traditionally observed among indigenous African people of South Africa) were recognised for the first time under the Recognition of Customary Marriages Act of 1998. The act also recognised polygamy in customary marriages. Provisions regulating customary marriages were spelt out in the act.

The acceptance of asylum seekers (those people seeking recognition as refugees) into South Africa and the rights and obligations of refugees were formalised in the Refugees Act of 1998. The act also formalised South Africa's accession to a number of international protocols and conventions relating to refugees.

Speculation on the number of illegal immigrants in the country and their effect on the economy and social services continued during the period under review. Increased xenophobia among South Africans was highlighted in a report published by the United Nations High Commissioner for Refugees in April 1999. According to the report, attacks on foreigners in South Africa were on the rise—more than 30 refugees and asylum seekers had been killed in two years. Xenophobia was fuelled mainly by a belief that immigrants were responsible for an increase in unemployment and crime, the report stated.<sup>1</sup> [<sup>1</sup>

*Business Day* 29 April 1999]

Earlier in the year the *White Paper on International Migration* was pulished in an attempt to address the issue of, among other things, illegal imigrants. The paper's main focus was the shift in emphasis from border control to community and workplace inspections. Inspections would be coducted in schools, workplaces, and service providers to ensure that illegal immigrants did not take job opportunities away from South Africans, or compete with them for public services. Authorities rendering public services would be required to check routinely the status of people receiving the service, and would have to report illegal immigrants to an immigration service (set up to monitor and regulate immigration).

Stricter sanctions would be enforced against employers who employed illegal immigrants.

The paper also proposed simplifying the issuing of permits. A threemonth permit (with the option of a once-off renewal) would be issued to anyone who could provide evidence (a return ticket or a financial guarantee) that they could and would leave the country, ie tourists, short-term students, business people, workseekers, traders, people receiving medical treatment, and people in transit. A number of different temporary residence permits would be available for those people staying longer than three months.

One of these permits would be a corporate work permit. This permit would be made available to foreign investors providing job opportunities for South African citizens; seasonal workers; industries which could not fill positions with locals; and industries which relied on foreign workers. The minister of home affairs, Chief Mangosuthu Buthelezi, said that this would enable employers to hire foreign workers as they needed them. The need for foreign skills would therefore not be determined by the government, but by market forces. Furthermore, employers would be required to pay a fee for each foreigner employed. This money would be used to train South Africans, so as to reduce the country's dependency on foreign skills.<sup>2</sup> [Ibid 13 April 1999]

## KEY POINTS

- By mid-1999 the population had grown to 43.1m, Statistics South Africa (Stats SA) reported.
- There were 40.6m people in South Africa in 1996, according to the final results of the 1996 census, published in October 1998.
- Stats SA estimated that in 1996 the South African population was increasing at an average annual rate of 2% (excluding net migration).
- The United States Census Bureau in 1998 revised its estimate of average life expectancy in South Africa from 65 to 56 because of AIDS. The population growth rate estimate was also revised from 1.9% to 1.4% a year.
- There were proportionally more women (52%) than men (48%) in South Africa in 1996.
- In 1996, 34% of the population was under the age of 15, while 5% was over the age of 65. Fewer men (4%) than women (6%) were over the age of 65, which indicated longer life expectancy among women.
- In 1996 some 36% of Africans were under the age of 15, compared with 21% of whites.
- According to Stats SA, in 1996 some 2.7m South Africans (6.5% of the total population) were disabled. The single largest proportion of disabled people (41%) had visual disabilities.
- About 54% of the South African population was urbanised in 1996. However, in five of the nine provinces most people were not urbanised.

- There were on average about 35 people per km<sup>2</sup> in South Africa in 1999. Gauteng had the highest population density, with 459 people per km<sup>2</sup>, while the Northern Cape had the lowest, at two people per km<sup>2</sup>.
- South Africa (0.717) ranked third in sub-Saharan Africa in 1995, and 89th out of 174 countries in terms of the human development index (HDI), published by the United Nations Development Programme. (The HDI is a measure of socio-economic development and indicates a country's relative position on a scale of 0–1, with zero indicating the lowest level of development and one the highest.)
- Most coloured people (81%) and most whites (58%) had Afrikaans as their home language, according to Stats SA. Some 93% of Indians/Asians had English as their first language. Among Africans, the single largest proportion (29%) had isiZulu as their home language.
- In 1998, 4 371 people officially immigrated to South Africa and 8 276 emigrated. This resulted in a net loss of 3 905 people. This was the fifth consecutive year of net loss.
- Between 1940 and 1998 South Africa gained 1.2m immigrants and lost 0.56m emigrants, yielding a net gain of 0.67m people.

## LEGISLATION

### Divorce Courts Amendment Act of 1997

The Divorce Courts Amendment Act of 1997, which came into effect in April 1998, provided for people of all races to apply for a divorce in either the High Court or the Central Divorce Court. Previously, obtaining a divorce in the Central Divorce Court was limited to Africans. Obtaining a divorce in this court is less costly, as litigants do not require legal representation.<sup>3</sup> [<sup>3</sup> *The Citizen* 17, 24 April 1998, *The Star* 17 April 1998]

### Recognition of Customary Marriages Act of 1998

The Recognition of Customary Marriages Act of 1998 provided for the recognition and regulation of customary marriages (marriages concluded in accordance with customary law, ie the customs and usages traditionally observed among the indigenous African people of South Africa). The act also recognised polygamy in customary marriages. It further stated that any prohibition of a customary marriage based on the blood relationship or affinity of the people entering into the marriage would be determined by customary law. Moreover, a customary marriage entered into after the commencement of the act would be in community of property unless an antenuptial contract was signed (previously a woman did not have any recourse in the event of divorce, unless her husband surrendered part of his assets voluntarily). Should a husband wish to enter into a further customary marriage, a new matrimonial property 'system'

must be negotiated and approved by the court.<sup>4</sup> [4 Recognition of Customary Marriages Act, no 120 of 1998, *Government Gazette* no 19539, 2 December 1998; *Saturday Star* 12 September 1998]

## Refugees Act of 1998

The Refugees Act of 1998 formalised South Africa's accession to the Convention Relating to the Status of Refugees of 1951, the Protocol Relating to the Status of Refugees of 1967, and the Organisation of African Unity Convention Governing Specific Aspects of Refugee Problems in Africa of 1967 (see also 1996/97 Survey, p49). The act provided for the acceptance of asylum seekers (ie those people seeking recognition as refugees) into South Africa and detailed the rights and obligations of refugees. The rights included, among others, the right to apply for an immigration permit after five years of continuous residence in South Africa, the right to seek employment, and the right to identity and travel documents.<sup>5</sup> [5 Refugees Act, no 130 of 1998, *Government Gazette* no 19544, 2 December 1998]

## POPULATION PROFILE

### Population Size: 1996 Census

There were 40.6m people in South Africa in 1996, according to the final results of the most recent census, published in October 1998. The table below gives a breakdown of the population by province in 1996.<sup>6</sup> [6 Statistics South Africa (Stats SA), *The People of South Africa, Population Census 1996, Census in Brief*, Report No 1: 03-01-11 (1996)]

#### *Population by province: 1996*

*Province*

Number

Proportion of total<sup>a</sup>

Eastern Cape

6 302 525

15.5%

Free State

2 633 504



6.5%

Gauteng

7 348 423

18.1%

KwaZulu-Natal

8 417 021

20.7%

Mpumalanga

2 800 711

6.9%

North West

3 354 825

8.3%

Northern Cape

840 321

2.1%

Northern Province

4 929 368

12.1%

Western Cape

3 956 875

9.7%

**Total**

40 583 573

100.0%

*Source:* Statistics South Africa

a

Figures may not add up, owing to rounding.

The chart below shows the size of the population in 199

The table below shows the racial make-up of the South African population in 1996.<sup>7</sup> [<sup>7</sup> Ibid]

***Racial breakdown: 1996***

*Race*

Number

Proportion of total

African

31 127 631

76.7%

Coloured

3 600 446

8.9%

Indian/Asian

1 045 596

2.6%

White

4 434 697

10.9%

Unspecified/other

375 204

0.9%

**Total<sup>a</sup>**

40 583 573

100.0%

*Source:* Statistics South Africa

a

Figures may not add up, owing to rounding.

The following graph shows the racial breakdown of the populatio

Africans were in the majority in seven of the nine provinces. In the Northern Cape and the Western Cape there were more coloured people than any others. More than a fifth of Africans and three quarters of Indians were in KwZulu-Natal. About 60% of coloured people lived in the Western Cape, and 38% of whites in Gauteng.

There were suggestions (see *Bird's Eye View* at the beginning of this chapter) that there were as many as

500 000 more African males and 300 000 more white people in the country than the census showed. However, many of the 'missing' people might have emigrated without having been recorded as doing so.

The table below provides a racial breakdown of the population by province in 1996.<sup>8</sup> [<sup>8</sup> Ibid]

***Breakdown by province and race: 1996***

*Province*

African

Coloured

IndWhite

Unspecified /other

***Total<sup>a</sup>***

Eastern Cape

5 448 495

468 532

19 356

330 294

35 849

**6 302 525**

Free State

2 223 940

79 038

2 805

316 459

11 262

**2 633 504**

Gauteng

5 147 444

278 692

161 289

1 702 343

58 654

**7 348 423**

KwaZulu-Natal

6 880 652

117 951

790 813

558 182

69 423

**8 417 021**

Mpumalanga

2 497 834

20 283

13 083

253 392

16 120

**2 800 711**

North West

3 058 686

46 652

10 097

222 755

16 635

**3 354 825**

Northern Cape

278 633

435 368

2 268

111 844

12 208

**840 321**

Northern Province

4 765 255

7 821

5 510

117 878

32 904

**4 929 368**

Western Cape

826 691

2 146 109

40 376

821 551

122 148

**3 956 875**

Total<sup>a</sup>

31 127 631

3 600 446

1 045 596

4 434 697

375 204

40 583 573

*Source* : Statistics South Africa

a

Figures may not add up, owing to rounding

A proportional breakdown of the population by province and race is shown in the table below.

***Proportional breakdown by province and race: 1996<sup>a</sup>***

*Province*

African

Coloured

IndWhite

UnsEastern Cape

86.4%

7.4%

0.3%

5.2%

0.6%

Free State

84.4%

3.0%

0.1%

12.0%

0.4%

Gauteng



70.0%

3.8%

2.2%

23.2%

0.8%

### KwaZulu-Natal

81.7%

1.4%

9.4%

6.6%

0.8%

### Mpumalanga

89.2%

0.7%

0.5%

9.0%

0.6%

### North West

91.2%

1.4%

0.3%

6.6%

0.5%

### Northern Cape

33.2%

51.8%

0.3%

13.3%

1.5%

### Northern Province

96.7%

0.2%

0.1%

2.4%

0.7%

### Western Cape

20.9%

54.2%

1.0%

20.8%

3.1%

**Total**

76.7%

8.9%

2.6%

10.9%

0.9%

*Source:* Statistics South Africa

a

Figures should add up horizontally but may not, owing to rounding.

**Population Growth**

Statistics South Africa (Stats SA) estimated that in 1996 the South African population was increasing at an average annual rate of 2%. This is the rate of natural increase, which takes into account only fertility and mortality. The population growth rate, which includes net migration figures, was still being processed at the time of writing.<sup>10</sup> [<sup>10</sup> *Financial Mail* 23 October 1998]

***Fertility Rate***

No new information on the fertility rate was available at the time of writing.

***Infant Mortality Rate***

See chapter on *Health and Welfare*.

**Population Size: 1999 Estimates**

Stats SA estimated that the population had grown to 43.1m by mid-1999 (rate of natural increase, taking into account only estimates of fertility and mortality). The table below shows the mid-year estimates of the total population by race from 1991 to 1999 and the increase over that period.<sup>11</sup> [<sup>11</sup> Stats SA, *Mid-year*

*estimates, 1991–1998*, Statistical Release PO302, 17 December 1998; Stats SA, *Mid-year estimates 1999*, Statistical Release P0302, 12 July 1999]

***Mid-year estimates of the South African population by race: 1991–99<sup>a</sup>***

African

Coloured

IndWhite

Oth**Total**<sup>b</sup>

1991

27 400 100

3 254 000

960 300

4 238 000

346 500

**36 198 900**

1992

28 072 000

3 317 200

976 000

4 274 800

351 900

**36 991 800**

1993

28 759 800

3 381 400

991 900

4 311 900

357 200

**37 802 200**

1994

29 463 700

3 447 000

1 008 100

4 349 100

362 600

**38 630 500**

1995

30 184 400

3 513 600

1 024 400

4 386 600

368 200

**39 477 100**

1996<sup>c</sup>

30 921 700

3 581 600

1 040 900

4 424 400

373 700

**40 342 300**

1997

31 676 600

3 650 700

1 057 900

4 462 200

379 400

**41 226 700**

1998

32 449 200

3 721 000

1 074 900

4 500 400

385 100

**42 130 500**

1999

33 239 100

3 792 600

1 092 300

4 538 700

390 800

**43 054 300**

Increase: 1991–99

21.3%

16.6%

13.7%

6.2%

12.8%

18.9%

*Source:* Statistics South Africa

a

Natural increase based on the 1996 census and an estimation of fertility and mortality. Figures exclude net migration. Figures for 1991–95 have been adjusted using backward projections of the 1996 census results and inferring the rate of increase from the totals (includes former ‘independent’ homelands). Figures have been rounded.

b

Figures may not add up, owing to rounding

c

Mid-year estimate, not census figure.

The following table shows the mid-year estimates of the total population by province from 1991 to 1999 and the increase over that period:<sup>12</sup> [<sup>12</sup> Ibid]

*Mid*

Eastern Cape

Free State

Gauteng

KwaZulu-Natal

1991

5 682 900

2 372 800

6 564 200

7 536 900

1992

5 795 600

2 420 300

6 698 900

7 696 400



1993

5 910 400

2 468 500

6 845 600

7 859 300

1994

6 027 400

2 517 800

6 995 500

8 025 600

1995

6 146 800

2 568 100

7 148 400

8 195 400

1996<sup>a</sup>

6 268 600

2 619 200

7 304 900

8 368 800

1997

6 392 800

2 671 500

7 464 600

8 545 700

1998

6 519 300

2 724 600

7 627 600

8 726 300

1999

6 658 700

2 714 700

7 807 300

8 924 600

**Increase: 1991-99**

17.2%

14.4%

18.9%

18.4%

*Mid*

Mpumalanga

North West

Northern Cape

Northern Province

Western Cape

1991

2 453 600

2 995 700

779 000

4 236 500

3 583 700

1992

2 516 000

3 060 900

790 200

4 362 000

3 651 600

1993

2 579 600

3 127 300

801 800

4 488 500

3 720 900

1994

2 645 400

3 195 100

813 400

4 618 800

3 791 500

1995

2 712 700

3 264 400

825 000

4 752 800

3 863 400

1996<sup>a</sup>

2 781 500

3 335 000

836 900

4 890 700

3 936 600

1997

2 852 000

3 407 300

849 000

5 032 700

4 011 000

1998

2 924 400

3 481 200

861 400

5 178 700

4 086 900

1999

3 003 300

3 562 300

875 000

5 387 300

477 000

**Increase: 1991-99**

22.4%

18.9%

12.3%

24.0%

16.4%

*Source:* Statistics South Africa

a

Mid-year estimate, not census figure.

The following chart shows the size of the population in each province, in 1991 and 1999:

The white paper on population development, published in March 1998, estimated that the South African population increased at a rate of 1.9% in 1995/96. The rate of increase dropped from about 2.2% in the period 1980–90. At a rate of 1.9% a year the population would increase to more than 80m in 30 years, the white paper stated.<sup>13</sup> [<sup>13</sup> *The Citizen* 11 July 1998]

### **Population Density: 1999**

There were on average about 35 people per km<sup>2</sup> in South Africa in 1999. Provincial population densities are shown in the following table:<sup>14</sup> [<sup>14</sup> Stats SA, *Population Census 1996*; Stats SA, *Mid-year estimates, 1999*, 12 July 1999]

#### ***Population density by province: 1999***

*Province*

Area (km<sup>2</sup>)

NumEastern Cape

169 580

39

Free State

129 480

21

Gauteng

17 010

459

KwaZulu-Natal

92 100

97

Mpumalanga

79 490

38

North West

116 320

31

Northern Cape

361 830

2

Northern Province

123 910

43

Western Cape

129 370

32

**South Africa**

1 219 090

35

*Source:* Statistics South Africa

## **The Impact of AIDS**

As a result of AIDS, average life expectancy was likely to fall from 60 years to 40 by 2008, the minister for welfare and population development, Ms Geraldine Fraser-Moleketi, said in December 1998.<sup>15</sup> [<sup>15</sup> *The Star* 1 December 1998]

The United States Census Bureau in 1998 revised its estimate of average life expectancy in South Africa from 65 to 56 because of AIDS. The population growth rate estimate was also revised from 1.9% to 1.4% a year. The crude death rate (number of deaths per 1 000 people) was 12.3, whereas without AIDS it would have been 7.8. The US Census Bureau said that without AIDS there would have been almost 1m more people in South Africa in 1998.<sup>16</sup> [<sup>16</sup> *Business Day* 2 November 1998]

(See also chapter on *Health and Welfare*.)

## **Life Expectancy**

Pre-census life expectancy estimates appear in the 1997/98 *Survey* on pp95–96.

No new information on life expectancy was available at the time of writing. Information on the impact of AIDS on life expectancy appears above.

Women had a longer life expectancy than men—fewer men (4%) than women (6%) were over the age of 65 in 1996, Statistics South Africa (Stats SA) said. This was according to the age breakdown provided



by the 1996 census.<sup>17</sup> [17 Stats SA, *Population Census 1996*]

## Age

In 1996, 34% of the population was under the age of 15. Some 5% was over the age of 65. More boys (35%) than girls (33%) were under 15, while fewer men (4%) than women (6%) were over the age of 65, Stats SA said. Some 36% of Africans were under the age of 15, compared with 21% of whites.<sup>18</sup> [18 Ibid]

The table below shows the age profile of the population by race in 1996, as calculated by Stats SA.<sup>19</sup> [19 Ibid]

### *Age profile by race: 1996*

Age	African	Coloured	IndWhite	Unspecified/other	SouProportion of total
0– 4	3 653 003	385 709	86 083	269 219	49 606
	4 443 621				10.9%

**5-9**

3 818 108

400 223

95 119

309 173

46 100

4 668 722

11.5%

10-14

3 746 680

403 521

105 383

355 279

43 236

4 654 100

11.5%

**15-19**

3 350 319

350 889

99 435

344 778

35 294

4 180 716

10.3%

20-24

3 153 083

344 373

103 123

349 102

32 672

3 982 353

9.8%

**25-29**

2 653 596

328 323

92 918

352 977

27 913

3 455 728

8.5%

30-34

2 317 500

306 808

86 998

337 709

25 186

3 074 201

7.6%

**35-39**

1 949 340

259 478

79 189

344 352

21 397

2 653 755

6.5%

40- 44

1 525 385

207 454

71 963

316 896

16 927

2 138 626

5.3%

**45- 49**

1 147 110

160 870

63 180

292 871

3 494

1 677 525

4.1%

50-54

835 099

119 711

50 198

253 753

10 134

1 268 895

3.1%

**55-59**

716 097

95 841

36 633

212 822

8 544

1 069 936

2.6%

60– 64

601 684

79 859

26 669

175 332

6 992

890 536

2.2%

**65– 69**

525 056

55 016

18 094

155 236

5 485

758 887

1.9%

70-74

312 205

33 919

10 975

121 357

3 707

482 163

1.2%

**75-79**

261 326

20 607

6 103

86 625

2 767

377 428

0.9%

80-84

108 410

11 097

2 644

55 248

1 504

178 902

0.4%

**85+**

89 475

8 348

1 618

36 530

1 313

137 284

0.3%

Unspecified

364 155

28 397

9 271

65 439

22 932



490 194

1.2%

**Total<sup>a</sup>**

31 127 631

3 600 446

1 045 596

4 434 697

375 204

40 583 573

100.0%

*Source:* Statistics South Africa

a

Figures may not add up, owing to rounding.

The following table shows a proportional age profile by race in 1996:

***Proportional age profile by race: 1996***

*Age*

African

Coloured

IndWhite

Unspecified/other

## South Africa

0-14

36.0%

33.0%

27.4%

21.1%

37.0%

33.9%

15-39

43.1%

44.2%

44.2%

39.0%

38.0%

42.7%

40-64

15.5%

18.4%

23.8%

28.2%

14.9%

17.4%

65+

4.2%

3.8%

3.8%

10.3%

3.9%

4.8%

Unspecified

1.2%

0.8%

0.9%

1.5%

6.1%

1.2%

**Total<sup>a</sup>**

100.0%

100.0%

100.0%

100.0%

100.0%

100.0%

*Source:* Statistics South Africa

a

Figures may not add up, owing to rounding.

The chart below shows age profiles of the population by race in 1996.

The table below shows the age profile of the population by province in 1996.<sup>21</sup> [<sup>21</sup> Ibid]

***Age profile by province: 1996***

*Province*

0–14 years

15–34 years

35– 64 years

65+ years

Unspecified

***Total<sup>a</sup>***

Eastern Cape

2 478 156

2 059 250

1 348 397

365 422

51 299

**6 302 525**

Free State

820 276

980 664

684 763

118 643

29 158

**2 633 504**

Gauteng

1 840 152

2 935 614

2 169 332

303 297

100 028

**7 348 423**

KwaZulu-Natal

2 988 708

3 041 514

1 891 714

376 573

118 512

**8 417 021**

Mpumalanga

1 000 929

1 024 376

610 891

115 289

49 227

**2 800 711**

North West

1 136 463

1 231 027

804 357

155 180

27 798

**3 354 825**

Northern Cape

277 224

291 969

220 164

41 750

9 213

**840 321**

Northern Province

2 080 086

1 654 324

875 574

256 204

63 181

**4 929 368**

Western Cape

1 144 449

1 474 259

1 094 084

202 306

41 777

**3 956 875**

South Africa<sup>a</sup>

13 766 443

14 692 998

9 699 273

1 934 664

490 194

40 583 573

*Source:* Statistics South Africa

a

Figures may not add up, owing to rounding.

The table below shows a proportional age profile of the population by province

***Proportional age profile by province: 1996<sup>a</sup>***

*Province*

0–14 years

15–34 years

35– 64 years

65+ years

Unspecified

Eastern Cape

39.3%

32.7%

21.4%



5.8%

0.8%

Free State

31.1%

37.2%

26.0%

4.5%

1.1%

Gauteng

25.0%

39.9%

29.5%

4.1%

1.4%

KwaZulu-Natal

35.5%

36.1%

22.5%

4.5%

1.4%

Mpumalanga

35.7%

36.6%

21.8%

4.1%

1.8%

North West

33.9%

36.7%

24.0%

4.6%

0.8%

Northern Cape

33.0%

34.7%

26.2%

5.0%

1.1%

Northern Province

42.2%

33.6%

17.8%

5.2%

1.3%

Western Cape

28.9%

37.3%

27.7%

5.1%

1.1%

**South Africa**

33.9%

36.2%

23.9%

4.8%

1.2%

Source: Statistics South Africa

a

Figures should add up horizontally but may not, owing to

More than 30% of the population in seven of the nine provinces was under the age of 15, with the exceptions being Gauteng and the Western Cape.

The 1996 age profiles of men and women are shown in the following table:<sup>23</sup> [<sup>23</sup> Ibid]

***Age profile by sex: 1996***

Male

*Female*

*Age*

Number

Proportion of total

Number

Proportion of total

0-4

2 216 763

11.4%

2 226 858

10.6%

**5-9**

2 333 563

12.0%

2 335 160

11.1%

10-14

2 308 759

11.8%

2 345 341

11.1%

**15-19**

2 050 213

10.5%

2 130 503

10.1%

20-24

1 917 918

9.8%

2 064 435

9.8%

**25-29**

1 663 064

8.5%

1 792 664

8.5%

30-34

1 463 499

7.5%

1 610 702

7.6%

**35-39**

1 284 955

6.6%

1 368 800

6.5%

40-44

1 030 597

5.3%

1 108 028

5.3%

**45-49**

813 816

4.2%

863 710

4.1%

50-54

600 477

3.1%

668 418

3.2%

**55-59**

483 678

2.5%

586 258

2.8%

60-64

352 053

1.8%

538 483

2.6%

**65-69**

304 013

1.6%

454 874

2.2%

70-74

195 119

1.0%

287 044

1.4%

**75-79**

141 844

0.7%

235 583

1.1%

80-84

62 072

0.3%

116 831

0.6%

**85+**

43 230

0.2%

94 054

0.4%



Unspecified

255 253

1.3%

234 941

1.1%

**Total<sup>a</sup>**

19 520 887

100.0%

21 062 685

100.0%

*Source:* Statistics South Africa

a

Figures may not add u

## **Citizenship**

In 1996, 98.9% of people living in South Africa were South African citizens. Stats SA provided the following breakdown of the South African population according to citizenship in 1996:<sup>24</sup> [<sup>24</sup> Ibid]

### ***Citizenship by race: 1996***

African

Coloured

IndWhite

**UnsTotal<sup>a</sup>**

South Africa

30 845 009

3 596 369

1 031 820

4 287 161

368 002

**40 128 362**

SADC countries<sup>b</sup>

247 473

2 061

1 382

9 660

2 256

**262 832**

Rest of Africa

7 051

159

350

1 371

210

**9 141**

Europe

1 445

294

518

96 364

1 568

**100 190**

Asia

376

193

8 857

2 930

891

**13 246**

North America

222

75

93

4 300

234

**4 923**

Central and South America

249

94

236

11 114

165

**11 858**

Australia/New Zealand

33

35

37

2 582

68

**2 755**

Unspecified/Other

25 772

1 165

2 302

19 215

1 811

**50 266**

Total<sup>a</sup>

31 127 631

3 600 446

1 045 596

4 434 697

375 204

40 583 573

*Source:* Statistics South Africa

a

Figures may not add up, owing to rounding.

b

Southern African Development Community countries: Angola, Botswana, Democratic Republic of Congo, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, Tanzania, Zambia, Zimbabwe.

## Disability

The table below shows the proportional breakdown of the disabled by type of disability and race.<sup>25</sup> [25  
Ibid]

*Disabled population by type of disability and race: 1996<sup>a</sup>*

African

Coloured

IndWhite

Unspecified/other

Total<sup>b</sup>

Sight

1 002 845

34 561

15 623

32 967

5 026

1 091 022

Hearing

332 246

15 557

4 948

28 286

2 370

383 408

Physical

487 017

32 706

9 764

25 112

3 175

557 774

Mental

161 604

14 349

4 050

11 122

1 429

192 553

More than one

132 771

6 076

2 943

11 525

922

154 236

Unspecified

208 331

24 718

5 502

36 536

3 634

278 720

**Total<sup>b</sup>**

2 324 813

127 967

42 830

145 548

16 555

2 657 714

*Source:* Statistics South Africa

a

Excluding institutions ie communal, temporary or semi-permanent living arrangements, or living arrangements for people in special circumstances, eg prisons, police cells, school boarding facilities, homes for the aged or disabled, hotels, and hospitals.

b

Figures may not add up, owing to rounding.

In 1996 some 2.7m South Africans (6.5%) were disabled. The single largest proportion of disabled people (41%) had visual disabilities. About 7.5% of Africans were disabled, compared with 4.1% of



Indians/Asians, 3.6% of coloured people, and 3.3% of whites. There were more women than men with visual and hearing disabilities, while more men than women had mental disabilities. With the exception of Africans, more men had physical disabilities than women.<sup>26</sup> [26 Ibid]

## Economic Status

See chapters on *Employment* and *The Economy*.

## Education Levels

See chapter on *Education*.

## Geographical Distribution

About 54% of the South African population was urbanised in 1996. In five of the nine provinces most people were not urbanised. According to mid-year estimates published by Statistics South Africa (Stats SA) in July 1999, the urban population had increased by 5.7% to 23m. The non-urban population had increased by 6.5% to 20m. The 1996 census results provided the following breakdown of the urban and non-urban distribution of the population by province (the census results did not provide a further breakdown by race or sex):<sup>27</sup> [27 Ibid]

### *Urban/non-urban distribution of the population by province: 1996*

*Province*

Urban<sup>a</sup>

ProNon-urban<sup>b</sup>

ProEastern Cape

2 304 378

36.6%

3 998 148

63.4%

Free State

1 806 651

68.6%

826 853

31.4%

Gauteng

7 130 277

97.0%

218 146

3.0%

KwaZulu-Natal

3 628 268

43.1%

4 788 753

56.9%

Mpumalanga

1 094 287

39.1%

1 706 425

60.9%

North West

1 171 734

34.9%

2 183 091

65.1%

Northern Cape

588 906

70.1%

251 415

29.9%

Northern Province

541 301

11.0%

4 388 067

89.0%

Western Cape

3 516 007

88.9%

440 867

11.1%

**Total**

21 781 807

53.7%

18 801 765

46.3%

*Source:* Statistics South Africa

a

Statistics South Africa defined an urban area as one which has been legally proclaimed as being urban. Such areas include towns, cities, and metropolitan areas. Semi-urban areas are part of legally proclaimed urban areas, but adjoin these (eg informal settlements). Semi-urban areas are included here under urban areas.

b

All areas not defined under urban areas, ie non-urban or rural areas. Includes commercial farms, small settlements, rural villages, and other areas further away from towns and cities.

The following chart shows the urban/non-urban distribution of the population by province, in 1996:

## **Human Development Index**

*The human development index (HDI) is a measure of socio-economic development. It is a composite of three factors: life expectancy, per capita income, and level of education. The HDI indicates a country's position on a scale of 0 to 1. Countries with an HDI below 0.5 are considered to have a low level of human development, those between 0.5 and 0.8 a medium level, and those above 0.8 a high level.*

South Africa had an HDI of 0.717 in 1995 (0.716 in 1994), according to the 1998 *Human Development Report* published by the United Nations Development Programme (UNDP). HDI levels in South Africa moved from 0.464 in 1960, to 0.591 in 1970, and 0.629 in 1980. South Africa ranked 89th out of 174 countries in 1995, and third in sub-Saharan Africa after the Seychelles (0.845) and Mauritius (0.833).

The table below compares various countries according to their level of human development in 1995, as reported by the UNDP.<sup>28</sup> [<sup>28</sup> United Nations Human Development Programme, *Human Development Report 1998*, Oxford University Press, New York, 1998]

### ***Human development index of various countries: 1995***

*Ranking*

HDI value

High human development

1

Canada (the highest)

0.960

**4**

United States

0.943

8

Japan

0.940

**14**

United Kingdom

0.932

15

Australia

0.932

**19**

Germany

0.925

28

Singapore

0.896

**30**

Republic of Korea

0.894

49

Mexico

0.855

**59**

Thailand

0.838

60

Malaysia

0.834

*Medium human development*

**67**

Bulgaria

0.789

69

Turkey

0.782

**72**

Russian Federation

0.769

89

South Africa

0.717

**96**

Indonesia

0.679

97

Botswana

0.678

**106**

China

0.650

107

Namibia

0.644

**112**

Egypt

0.612

125

Morocco

0.557

**130**

Zimbabwe

0.507

*Low human development*

**131**

Myanmar

0.481

133

Ghana

0.473

**137**

Kenya

0.463

139

India



0.451

**142**

Nigeria

0.391

146

Zambia

0.378

**150**

Tanzania

0.358

153

Madagascar

0.348

**161**

Malawi

0.334

166

Mozambique

0.281

**174**

Sierra Leone (the lowest)

0.185

All developing countries

0.586

Least developed countries

0.344

Sub-Saharan Africa

0.378

*Industrial countries*

0.911

*World*

0.772

*Sourc*

## Language

In 1996 most coloured people (81%) and most whites (58%) had Afrikaans as their home language, according to Stats SA. Some 93% of Indians/Asians had English as their home language, while among Africans, the single largest proportion (29%) had isiZulu as their home language.

The table below shows home language by race in 1996.<sup>29</sup> [<sup>29</sup> Stats SA, *Population Census 1996*]

### ***Home language by race: 1996***

*Language*

African

Coloured

Indian/Asian

White

Uns*Total<sup>a</sup>*

Afrikaans

217 606

2 931 489

15 135

2 558 956

88 361

**5 811 547**

English

113 132

584 101

974 654

1 711 603

73 977

**3 457 467**

isiNdebele

578 067

2 507

107

3 427

2 851

**586 961**

isiXhosa

7 148 721

12 303

688

2 832

31 574

**7 196 118**

isiZulu

9 132 569

8 502

1 787

3 448

53 838

**9 200 144**

Sepedi

3 674 320

2 173

319

1 316

17 718

**3 695 846**

Sesotho

3 083 047

6 406

267

1 737

12 740

**3 104 197**

Setswana

3 272 720

12 935

191

1 809

14 118

**3 301 774**

SiSwati

1 006 804

1 553

201

316

4 320

**1 013 193**

Tshivenda

871 130

302

139

177

4 661

**876 409**

Xitsonga

1 745 216

883

306

736

8 965

**1 756 105**

Other

89 494

7 094

38 605

87 621

5 462

**228 275**

Unspecified

194 804

30 199

13 196

60 721

56 619

**355 538**

Total<sup>a</sup>

31 127 631

3 600 446

1 045 596

4 434 697

375 204

40 583 573

Source: Statistics South Africa

a

Figures may not add up, owing to rounding.

The following table shows the proportional breakdown of home language by race in 1996:<sup>3</sup> [30 Ibid]

***Proportional home language by race: 1996***

*Language*

African

Coloured

IndWhite

Unspecified/Other

***Total***

Afrikaans

0.7%

81.4%

1.5%

57.7%

23.6%

**14.3%**

English

0.4%



16.2%

93.2%

38.6%

19.7%

**8.5%**

isiNdebele

1.9%

0.1%

0.0%<sup>a</sup>

0.1%

0.8%

**1.5%**

isiXhosa

23.0%

0.3%

0.1%

0.1%

8.4%

**17.7%**

isiZulu

29.3%

0.2%

0.2%

0.1%

14.4%

**22.7%**

Sepedi

11.8%

0.1%

0.0%<sup>a</sup>

0.0%<sup>a</sup>

4.7%

**9.1%**

Sesotho

9.9%

0.2%

0.0%<sup>a</sup>

0.0%<sup>a</sup>

3.4%

**7.7%**

Setswana

10.5%

0.4%

0.0%<sup>a</sup>

0.0%<sup>a</sup>

3.8%

**8.1%**

SiSwati

3.2%

0.0%<sup>a</sup>

0.0%<sup>a</sup>

0.0%<sup>a</sup>

1.2%

**2.5%**

Tshivenda

2.8%

0.0%<sup>a</sup>

0.0%<sup>a</sup>

0.0%<sup>a</sup>

1.2%

**2.2%**

Xitsonga

5.6%

0.0%<sup>a</sup>

0.0%<sup>a</sup>

0.0%<sup>a</sup>

2.4%

**4.3%**

Other<sup>a</sup>

0.3%

0.2%

3.7%

2.0%

1.5%

**0.6%**

Unspecified

0.6%

0.8%

1.3%

1.4%

15.1%

**0.9%**

Total<sup>b</sup>

100.0%

100.0%

100.0%

100.0%

100.0%

100.0%

*Source:* Statistics South Africa

a

Proportion too small to record.

b

Figures may not add up, owing to rounding.

The following tables provide a proportional breakdown of home language by province, showing the predominant home language in each provi

***Proportional home language by province: 1996***

*Language*

Eastern Cape

Free State

Gauteng

KwaZulu-  
Natal

Mpumalanga

Afrikaans

9.5%

14.4%

16.5%

1.6%

**8.2%**

English

3.7%

1.3%

12.9%

15.6%

**2.0%**

isiNdebele

0.0%<sup>a</sup>

0.2%

1.6%

0.0%<sup>a</sup>

**12.4%**

isiXhosa

83.3%

9.3%

7.4%

1.6%

**1.3%**

isiZulu

0.4%

4.8%

21.2%

79.1%

**25.2%**

Sepedi

0.0%<sup>a</sup>

0.2%

9.4%

0.0%<sup>a</sup>

**10.4%**

Sesotho

2.2%

61.7%

13.0%

0.5%

**3.2%**

Setswana

0.0%<sup>a</sup>

6.5%

7.8%

0.0%<sup>a</sup>

**2.7%**

SiSwati

0.0%<sup>a</sup>

0.1%

1.3%

0.1%

**29.8%**

Tshivenda

0.0%<sup>a</sup>

0.1%

1.4%



0.0%<sup>a</sup>

**0.1%**

Xitsonga

0.0%<sup>a</sup>

0.5%

5.2%

0.0%<sup>a</sup>

**3.5%**

Other

0.2%

0.3%

1.3%

0.5%

**0.4%**

Unspecified

0.6%

0.6%

1.1%

0.9%

**0.8%**

Total<sup>b</sup>

100.0%

100.0%

100.0%

1

*Proportional home language by province: 1996 (continued)*

North West

NorNorWestern Cape

*South Africa*

Afrikaans

7.4%

68.7%

2.2%

58.5%

**14.3%**

English

1.0%

2.4%

0.4%

20.1%

**8.5%**

IsiNdebele

1.3%

0.0% a

1.5%

0.1%

**1.5%**

IsiXhosa

5.3%

6.3%

0.2%

18.9%

**17.7%**

IsiZulu

2.5%

0.3%

0.7%

0.1%

**22.7%**

Sepedi

4.0%

0.0%<sup>a</sup>

52.2%

0.0%<sup>a</sup>

**9.1%**

Sesotho

5.1%

0.9%

1.1%

0.4%

**7.7%**

Setswana

66.8%

19.7%

1.4%

0.1%

**8.1%**

SiSwati

0.5%

0.0%<sup>a</sup>

1.2%

0.0%<sup>a</sup>

**2.5%**

Tshivenda

0.4%

0.0%

15.4%

0.0%<sup>a</sup>

**2.2%**

Xitsonga

4.7%

0.0%<sup>a</sup>

22.4%

0.0%<sup>a</sup>

**4.3%**

Other

0.5%

0.8%

0.3%

0.6%

**0.6%**

## Unspecified

0.6%

0.9%

1.1%

1.2%

**0.9%**

Total<sup>b</sup>

100.0%

100.0%

100.0%

100.0%

100.0%

*Source:* Statistics South Africa

a

Proportion too small to record.

b

Figures may not add up, owing to rounding.

IsiZulu was the main home language in both KwaZulu-Natal (79%) and Gauteng (21%), while Afrikaans was the major home language in the Northern Cape (69%) and the Western Cape (59%).

## Living Conditions

See chapter on *Living Conditions*.

## Male/female Distribution

There were proportionally more women (52%) than men (48%) in South Africa in 1996, according to Stats SA. The table below shows the male/female distribution of the population by race in 1996.<sup>32</sup> [32 Ibid]

### *Male/female distribution by race: 1996*

Male

Proportion of total

Female

Proportion of total

Majority<sup>a</sup>

Total

African

14 916 712

47.9%

16 210 919

52.1%

1 294 207 (F)

**31 127 631**

Coloured

1 744 920

48.5%

1 855 526

51.5%

110 606 (F)

**3 600 446**

Indian/Asian

512 231

49.0%

533 365

51.0%

21 134 (F)

**1 045 596**

White

2 162 699

48.8%

2 271 998

51.2%

109 299 (F)

**4 434 697**

Unspecified

184 326



49.1%

190 878

50.9%

6 552 (F)

**375 204**

Total<sup>b</sup>

19 520 887

48.1%

21 062 685

51.9%

1 541 798 (F)

40 583 573

*Source:* Statistics South Africa

a

The numerical difference between the male (M) and female (F) populations, showing who was in the majority

b

Figures may not add up, owing to rounding.

The following table shows the male/female distribution of the population by pr

***Male/female distribution by province: 1996***

*Province*

## Male

*Proportion of total*

## Female

Proportion of total

Majority<sup>a</sup>

**Total<sup>b</sup>**

Eastern Cape

2 908 056

46.1%

3 394 469

53.9%

486 413 (F)

**6 302 525**

Free State

1 298 348

49.3%

1 335 156

50.7%

36 808 (F)

**2 633 504**

Gauteng

3 750 845

51.0%

3 597 578

49.0%

153 267 (M)

**7 348 423**

KwaZulu-Natal

3 950 527

46.9%

4 466 493

53.1%

515 966 (F)

**8 417 021**

Mpumalanga

1 362 028

48.6%

1 438 683

51.4%

76 655 (F)

**2 800 711**

## North West

1 649 835

49.2%

1 704 990

50.8%

55 155 (F)

**3 354 825**

## Northern Cape

412 681

49.1%

427 639

50.9%

14 958 (F)

**840 321**

## Northern Province

2 253 072

45.7%

2 676 296

54.3%

423 224 (F)

**4 929 368**

Western Cape

1 935 494

48.9%

2 021 381

51.1%

85 887 (F)

**3 956 875**

Total <sup>b</sup>

19 520 887

48.1%

21 062 685

51.9%

1 541 798 (F)

40 583 573

*Source:* Statistics South Africa

a

The numerical difference between the male (M) and female (F) populations, showing who was in the majority.

b

Figures may not add up, owing to

Gauteng (51%) was the only province in 1996 that had more men than women. The Northern Province

had the greatest disparity between men (46%) and women (54%).

## Marriage Age

In 1996 the median (weighted averaged) age at first marriage for women was 28.2 years, and for men 31.5 years.<sup>34</sup> [<sup>34</sup> Stats SA, *Marriages and Divorces, 1996*, Statistical Release PO307, 17 December 1998]

## Religion

No new figures on religion were published during the period under review. The latest available figures are for 1991—see 1997/98 Survey, p99.

## IMMIGRATION AND EMIGRATION

*Emigration refers to self-declared status and does not include South African citizens who leave permanently under the pretext of temporary visits. Immigration refers to the legal application by people to enter and reside permanently in the country and therefore excludes illegal immigrants.*

## Trends

South Africa experienced a net loss of 3 905 people in 1998, according to Statistics South Africa (Stats SA). This was the fifth consecutive year of net loss.

The following graph shows immigration and emigration from 1940 to 1998:

The following table provides a breakdown of the number of immigrants to, and emigrants from, South Africa from 1940 to 1998 as well as the net gain or loss of people:<sup>35</sup> [<sup>35</sup> 1997/98 Survey , p107; Stats SA, *Touism and Migration, July 1998*, Statitical Release PO351, 9 December 1998]

### *Immigration and emigration: 1940–98*

Immigrants

Emigrants

Net gain/(loss)

1940

3 526

2 723

803

**1941**

1 964

2 428

(464)

1942

1 991

2 021

(30)

**1943**

994

2 167

(1 173)

1944

1 049

2 459

(1 410)

**1945**

2 949

4 881

(1 932)

1946

12 030

9 095

2 935

**1947**

29 827

8 040

21 787

1948

36 734

7 623

29 111

**1949**

15 576

9 403

6 173

1950

13 663



14 956

(1 293)

**1951**

15 890

15 546

344

1952

18 975

9 877

9 098

**1953**

17 267

10 324

6 943

1954

16 719

11 461

5 258

**1955**

16 684

12 636

4 048

1956

15 238

13 031

2 207

**1957**

14 631

11 034

3 597

1958

14 701

8 954

5 747

**1959**

12 598

9 502

3 096

1960

9 805

12 705

(2 900)

**1961**

16 373

15 046

1 327

1962

20 972

9 162

11 810

**1963**

38 013

7 272

30 741

1964

40 896

8 293

32 603

**1965**

38 337

9 479

28 858

1966

48 051

10 289

37 762

**1967**

38 937

11 289

27 648

1968

40 548

10 945

29 603

**1969**

41 446

9 313

32 133

1970

41 523

9 278

32 245

**1971**

35 845

8 407

27 438

1972

32 776

7 884

24 892

**1973**

24 016

6 401

17 615

1974

35 910

7 428

28 482

**1975**

50 464

10 255

40 209

1976

46 239

15 641

30 598

**1977**

24 822

26 000

(1 178)

1978

18 669

20 686

(2 017)

**1979**

18 680

15 694

2 986

1980

29 365

11 363

18 002

**1981**

41 542

8 791

32 751

1982

45 784

6 832

38 952

**1983**

30 483

8 247

22 236

1984

28 793

8 550

20 243

**1985**

17 284

11 401

5 883

1986

6 994

13 711

(6 717)

**1987**

7 953

11 174

(3 221)

1988

10 400

7 767

2 633

**1989**

11 270

4 911

6 359

1990

14 499

4 722

9 777

**1991**



12 379

4 256

8 123

1992

8 686

4 289

4 397

**1993**

9 824

8 078

1 746

1994

6 398

10 235

(3 837)

**1995**

5 064

8 725

(3 661)

1996

5 407

9 708

(4 301)

**1997**

4 103

8 946

(4 843)

1998

4 371

8 276

(3 905)

**Total: 1940–98**

## **Economically Active People**

See chapter on *Employment*.

## **Immigration**

### **Legal Immigration**

#### ***Permanent Residence***

In 1998, 110 people were exempted from repatriation. In the same year, 3 956 people were supplied with documentary proof of their residential status (ie permanent residence), the Department of Home Affairs said.<sup>36</sup> [<sup>36</sup> Telephonic communication with Mr Hennie Meyer, liaison officer, Department of Home Affairs, 28 June 1999]

### **Illegal Immigration**

Estimates of the number of illegal immigrants in South Africa in 1998 ranged from 500 000 by Statistics South Africa, to between 2.5m and 4.1m by the Human Sciences Research Council.<sup>37</sup> [<sup>37</sup> *The Star* 19 June 1998, *Rapport* 27 December 1998]

## **Repatriation and Deportation**

*Repatriation is a process whereby a person who has illegally entered a country or whose temporary residence has expired is restored to his/her country of origin. Deportation is where a person is sent back to his/her country of birth from where he/she is legally resident if his/her presence in that country becomes undesirable for some reason, or if he/she commits a criminal offence. The person receives a fine or sentence in court, and is not allowed to re-enter the country from which he/she has been deported.*

In 1998, 181 286 illegal immigrants were repatriated, according to the Department of Home Affairs. Most repatriations were to Mozambique (78%), Zimbabwe (16%), and Lesotho (3%). In the same year 793 deportation orders were issued, 295 of which were executed. (Orders can be carried out only after offenders have served their sentences.)<sup>38</sup> [<sup>38</sup> Telephonic communication with Mr Hennie Meyer, liaison officer, Department of Home Affairs, 28 June 1999]

## **Emigration**

An article in *Rapport* in October 1998 stated that in 1996 there were more than 170 000 South African emigrants in Australia, Canada, New Zealand, and the United Kingdom. According to British statistics, in 1997 there were about 91 000 people residing in England, Wales, and Scotland who had been born in South Africa. In a 1996 census, Australia counted 55 755 South African immigrants, while in the same year 14 075 South African immigrants were counted in Canada. According to a study by Massey University, Palmerston North, New Zealand, there were more than 20 000 South Africans in New Zealand in 1997.<sup>39</sup> [<sup>39</sup> *Rapport* 11 October 1998]

## **KEY PROJECTIONS**

- The South African population will increase to more than 80m in 20 years, according to estimates published in the white paper on population development.
- As a result of AIDS, average life expectancy is likely to fall from 60 years to 40 by 2008, the minister for welfare and population development, Ms Geraldine Fraser-Moleketi, said.

## **INDUSTRIAL RELATIONS**

## BIRD'S EYE VIEW

The year under review was characterised by a steep increase in the number of mandays lost as a result of industrial action. According to Andrew Levy and Associates, a labour consultancy, most strikes were triggered by wage disputes. The chemical and motor industries were affected most by industrial action. The period under review also saw the first sympathy strike under the Labour Relations Act of 1995.

The months July to September 1999 were characterised by strikes in the public sector. Workers were dissatisfied with the government's offer of a 5.7% wage increase. Public sector unions affiliated to the Congress of South African Trade Unions (Cosatu) initially demanded 15% but dropped their demands to 8.3% for teachers and 7.3% for other public servants. No agreement was reached and in August 1999 the government unilaterally implemented a 7% raise for teachers and the lowest paid workers, and 6.3% for the rest of the public service.<sup>1</sup> [<sup>1</sup> *The Citizen* 7 August 1999; *The Star Business Report* 19 August 1999; *Business Day* 9 September 1999; *The Star* 24 August 1999; *The Citizen* 31 July 1999]

The minister for public service and administration, Ms Geraldine FraseMoleketi, explained that rising personnel costs had put it beyond the ability of the government to contemplate further salary increases. Personnel costs had risen because of an increase in the number of public service employees gaining access to benefits and allowances since 1994.

These strikes were significant because they transcended racial boundaries. Unions representing mostly white employees joined strike action alongside Cosatu affiliated public sector unions, which represented mostly black employees.

Industrial action resulted in the loss of 3.8m workdays in 1998, according to the Department of Labour. However, Andrew Levy and Associates placed the figure at 3.2m mandays lost. In the first nine months of 1999, 2.5m madays were lost as a result of industrial action, with strikes in the public service accounting for 64% of mandays lost, according to Andrew Levy and Associates. In the same period in 1998, 1.85m mandays were lost.<sup>2</sup> [<sup>2</sup> *Department of Labour, Industrial Action in 1998: Annual Report, Business Day* 7 September 1999; *Business Day* 29 September 1999]

The number of cases handled by the Commission for Conciliation, Mediation and Arbitration (CCMA) continued to increase in 1998/99. Although the settlement rate improved, the CCMA faced a backlog as a result of the increasing caseload. According to the director of the CCMA, Ms Thandi Orleyn, the commission was taking 60 days to hear a case, as opposed to the 30 day period required by the Labour Relations Act of 1995. In September 1999 the minister of labour, Mr Membathisi Mdladlana, criticised employers and trade unions for referring minor disputes, which could have been handled within existing bargaining structures, to the CCMA. Labour analysts suggested that access to the CCMA was too easy and that a new mechanism should be created to weigh the merits of each case before it was referred to the commission.

Registered union membership increased by 11% in 1998. Union membership showed a steady increase from 1995, according to the Department of Labour. The period under review saw the formation of ‘super unions’—the merger of unions which organise in the same industries—in the transport and chemical sectors. This followed a call by Cosatu to consolidate power and eliminate interunion rivalry.

At the end of February 1999 the Industrial Court closed down. The Labour Relations Act of 1995 provided for the establishment of the Labour Court and the phasing out of the Industrial Court. Some 300 cases which had not been finalised by the Industrial Court were transferred to the CCMA.

The Labour Relations Amendment Act of 1998 gave bargaining councils the authority to grant exemptions from agreements to non-parties. (A collective agreement may be extended to an employer who is not party to that agreement. The non-party may apply for exemption from that agreement.) Previously an independent body had the power to grant exemptions and determine the terms of those exemptions. The independent body would in future be one of appeal.

The period under review also saw Cosatu call for the amendment of section 189 of the Labour Relations Act. This section obliges the employer, when considering dismissals based on operational requirements, to consult the parties involved.<sup>3</sup> [<sup>3</sup>*Labour Relations Act No 66 of 1995, Government Gazette no 1681*, 13 December 1995; *The Star* 18 September 1999] Cosatu said that the act should be amended so that retrenchments would involve mandatory negotiations instead of only consultation.

Debate on the flexibility of the South African labour market continued. During the period under review, a report by the International Labour Organisation on the effects of globalisation in South Africa, found that South Africa’s labour market was too flexible when compared with other middle income countries. Labour laws regulating dismissals, working conditions, and contracts were, by international comparison, not too rigid. The report stated that the low level of investment, and not an inflexible labour market, was to blame for high unemployment. On the other hand, organised business called for the revision of labour laws, stating that business development, and consequently job creation, were being hampered by stringent labour statutes. Labour laws were overly prescriptive and imposed obligations on parties that were better left to collective agreement and local regulation, according to the outgoing director general of the South African Chamber of Business, Mr Raymond Parsons. Furthermore, international investors were discouraged by the rigidity of the South African labour market, he said.

## KEY POINTS

- Registered trade union membership increased by 11% in 1998, according to the Department of Labour.
- Between 1995 and 1998 registered union membership steadily increased from 2.7m to 3.8m.
- Although the number of registered trade unions more than doubled between 1992 and 1998, actual membership increased by only 31%. In 1998 registered union membership as a proportion of the

economically active population was 26%, while in 1992 it was 21%.

- The Congress of South African Trade Unions accounted for 46% of registered union membership in 1998, followed by the Federation of Unions of South Africa (14%) and the National Council of Trade Unions (8%).
- Andrew Levy and Associates reported that nominal wage increases negotiated at centralised and plant-level bargaining structures averaged 8.6% in 1998. This was a slight drop on the 1997 figure.
- In the 14 years between 1985 and 1998 the average level of wage settlements was below the inflation rate only three times.
- The average minimum wage across surveyed industries in the non-agricultural sector (excluding domestic workers) was calculated at R1 885 a month, compared with R1 680 in 1997—an increase of 12% in nominal terms.
- The number of cases handled by the Commission for Conciliation, Mediation and Arbitration (CCMA) increased by 29% to some 38 432 in 1998. The number settled rose by two percentage points.
- In 1998 some 27 000 employers were subject to bargaining council agreements. The conditions of employment of some 1.1m workers were regulated by such agreements in 1998.
- The number of disputes referred to bargaining councils more than doubled in 1998.
- Between 11th May 1998 (when collective agreements under the Labour Relations Act commenced) and 15th April 1999, 94 collective agreements concluded in bargaining councils were extended to non-parties.
- Mandays lost as a result of industrial action increased by 254% in 1998, Andrew Levy and Associates reported. The 2.3m mandays lost in 1998 was the highest number since 1994, when 3.9m mandays were lost.
- Some 2.5m mandays were lost as a result of industrial action in the first nine months of 1999, Andrew Levy and Associates said.
- Wage disputes triggered some 97% of strikes in 1998, the highest proportion in eight years.
- The main industries affected by industrial action in 1998 were chemicals (36%), and automobiles (28%).

## **LEGISLATION**

## Labour Relations Amendment Act of 1998

The Labour Relations Amendment Act of 1998 provided for a number of changes to existing legislation, including the Labour Relations Act of 1995. Among other things, the act stipulated that applications for exemption from collective agreements must now be made to the bargaining council itself. (A collective agreement concluded in a bargaining council may be extended to non-parties. Non-parties may apply for exemption from the provisions of that agreement.) The amending act provided for an independent body to hear any appeal brought against a bargaining council decision not to grant an exemption. The independent body would thus in future be one of appeal whereas previously it had the power to grant exemptions from collective agreements to non-parties, and determine the terms of those exemptions.<sup>4</sup> [4 Labour Relations Amendment Act, no 127 of 1998, *Government Gazette* no 19542, 2 December 1998]

## TRADE UNIONS

### Trade Union Membership

Some 3.8m workers belonged to registered trade unions in 1998, according to the Department of Labour. This was an increase of 11% on the 1997 figure. (The department cautioned that its figures were based on self-reporting by unions and that there were indications that some unions were overstating their membership.) The number of registered trade unions increased by 46 in 1998, bringing the total to 463.<sup>5</sup> [5 Fax communication from the Department of Labour, 4 February 1999]

The department attributed the increase in the number of registered trade unions to the following:<sup>6</sup> [6 Ibid]

- the Labour Relations Act of 1995 provided for the registration of unions in sectors not covered by the Labour Relations Act of 1956 (such as the public sector);
- the procedures for registering a trade union with the department had been simplified; and
- splits among trade unions had resulted in the registration of ‘splinter’ unions.

Although the number of registered trade unions more than doubled between 1992 and 1998, actual membership increased by only 31%. In 1998 registered union membership as a proportion of the economically active population was 26%, while in 1992 it was 21%.

The table below shows the number of trade unions and their membership from 1992 to 1998.<sup>7</sup> [7 Department of Labour, annual reports, 1994, 1995, 1996, 1997; Department of Manpower, annual reports, 1992, 1993; Fax communication from the Department of Labour, 4 February 1999; Statistics South Africa (Stats SA), *Mid-year Estimates 1991–1998*, Statistical Release PO302, 17 December 1998]

***Trade unions and membership: 1992–98***

*Year*

Number of registered trade unions

Membership of registered Trade unions

Number of unregistered trade unions

Membership of unregistered trade unions

Total trade union membership

InRegistered Membership as a proportion of EAP<sup>a</sup>

1992

194

2 905 993

46

367 000

3 272 993

–

23.9%

1993

201

2 890 174

50



528 000

3 418 174

4.4%

24.5%

1994

213

2 470 481

65

510 000

2 980 481

(12.8%)

21.0%

1995

248

2 690 727

54

260 000

2 950 727

(1.0%)

20.6%

1996

334

3 016 933

70

200 000

3 216 933

9.0%

21.2%

1997

417

3 412 645

—

—

3 412 645<sup>b</sup>

6.1%

23.8%

1998

463

3 801 388

—

—

3 801 388<sup>b</sup>

11.4%

26.0%

*Source:* Department of Labour

a

Economically active population. Figures have been revised and may accordingly not be the same as those in the 1997/98 *Survey*.

b

From 1997 total trade union membership figures do not include unregistered trade union membership. In terms of the Labour Relations Act of 1995 the Department of Labour is no longer required to keep records of unregistered trade unions. However, figures for 1996 were still available as the act came into effect only on 11th November 1996.

The chart below shows total trade union membership between 1992 and 1998.

### **Unionisation by Race and Sex**

The table below shows a proportional breakdown of the level of unionisation by race and sex in 1994, the latest date for which comprehensive figures were available.<sup>8</sup> [<sup>8</sup> 1997/98 *Survey*, p5]

#### ***Unionisation<sup>a</sup> by race and sex: 1994***

*Race*

Male

Female

All

African

33.0%

25.0%

30.0%

**Asian**

30.4%

32.0%

30.9%

**Coloured**

28.4%

27.8%

28.1%

**White**

25.4%

15.7%

21.5%

**Total**

30.6%

23.3%

27.7%

*Source:* Central Statistical Service

## Proportion of people working who are members of a trade union.

In 1995 approximately 39% of African men and 36% of African women working belonged to trade unions, according to the October household survey conducted by Statistics South Africa. Trade union membership was lowest among white working men (28%) and white working women

## Union Groupings

The Congress of South African Trade Unions (Cosatu) remained the largest trade union federation in 1998. However, its membership dropped by 1% (about 20 000 members) to 1.75m workers, according to a labour relations consultancy, Andrew Levy and Associates. The largest union affiliated to Cosatu was the National Union of Mineworkers, with 265 355 members. The National Union of Metalworkers of South Africa, with 220 000, was the second biggest.<sup>10</sup> [<sup>10</sup> Andrew Levy and Associates, *Annual Report on Labour Relations in South Africa*, 1998–1999, p17]

The second largest trade union federation in 1998 was the Federation of Unions of South Africa (Fedusa). Fedusa increased its membership by 3% to 533 000 in 1998. The National Council of Trade Unions (Nactu) was the third largest trade union grouping, with an estimated membership of 300 000.<sup>11</sup> [<sup>11</sup> Ibid, pp18–19]

Cosatu therefore accounted for 46% of registered union membership, Fedusa for 14%, and Nactu for 8%.

## Super Unions

During the period under review a number of ‘super unions’ were formed through mergers of existing unions. The creation of ‘super unions’ was in line with a resolution adopted at the national congress of the Congress of South African Trade Unions (Cosatu) in September 1997.<sup>12</sup> [<sup>12</sup> *The Star Business Report* 23 January 1999]

In January 1999 the South African Transport and Allied Workers’ Union was created after the South African Railways and Harbour Workers’ Union and the Transport and General Workers’ Union joined forces. The new union claimed a membership of some 150 000 workers.<sup>13</sup> [<sup>13</sup> Ibid]

In February 1999 the Chemical Workers Industrial Union and the Paper, Printing, Wood and Allied Workers’ Union merged to form the Chemical, Energy, Paper, Printing, Wood and Allied Workers’ Union. The new union would represent between 100 000 and 120 000 workers.<sup>14</sup> [<sup>14</sup> Ibid 4 December 1998, *Beeld* 25 February 1999]

# COLLECTIVE BARGAINING

## Bargaining Councils

### Coverage of Agreements

At the end of 1998 there were 76 bargaining councils which collectively administered 51 agreements. One new council was registered during the year—the South African Manufactured Fibres Bargaining Council.<sup>15</sup> [<sup>15</sup> Fax communication from the Department of Labour, 4 February 1999]

The transitional period (as set out in schedule 7 of the Labour Relations Act of 1995) for collective agreements concluded in terms of the Labour Relations Act of 1956 expired on 10th May 1998. At the end of 1998, 51 agreements had been concluded and published in terms of the Labour Relations Act of 1995.<sup>16</sup> [<sup>16</sup> Department of Labour, annual report 1998]

In 1998 some 27 000 employers were subject to bargaining council agreements, while the conditions of employment of some 1.1m workers were regulated by such agreements (excluding medical fund agreements).

The number of disputes referred to bargaining councils more than doubled in 1998. Of these, 30% were settled at bargaining council level. The remainder were referred to the Commission for Conciliation, Mediation and Arbitration, settled by the disputing parties, or remained unresolved.<sup>17</sup> [<sup>17</sup> Ibid, 1997]

The table below provides a breakdown of bargaining council activities from 1993 to 1998.<sup>18</sup> [<sup>18</sup> 1997/98 Survey, p8; Department of Labour, annual report 1997; Department of Labour, annual report 1998; Stats SA, *Mid-year estimates 1991–1998*, 17 December 1998]

### ***Bargaining council activities: 1993–98***

1993

1994

1995

1996

1997

1998

***Bargaining councils<sup>a</sup>***

86

86

80

77

75

76

***Agreements***

Number

163

156

124

139

147

51<sup>b</sup>

Exemptions

7 469

6 735

4 315

4 325

1 575

5 494

*No. of employers involved in agreements*

20 702

23 745

50 194

70 387

53 636

27 329

*No. of workers involved in agreements*

Wage agreements

313 572

353 634

823 823

810 589

775 583

632 992

Pension/provident fund agreements

761 849

637 636

543 986



805 583

687 168

510 440

Medical fund agreements

272 090

200 911

395 307

393 058

376 470

N/A

Total number of workers

1 347 511

1 192 181

1 763 116

2 009 230

1 839 221

1 143 432<sup>c</sup>

Workers involved as a proportion of EAP<sup>d</sup>

9.7%

8.4%

12.2%

13.6%

12.1%

7.4%<sup>c</sup>

***Disputes***

Disputes handled

6 865

7 639

8 912

6 848

8 246

16 553

Disputes settled

2 042

2 014

2 646

1 820

2 489

5 042

*Source:* Department of Labour

a

Figures for 1996 have been revised.

b

Agreements concluded in terms of the Labour Relations Act of 1995.

c

Excluding workers covered by medical fund agreements.

d

Economically a

## **Extension of Collective Agreements**

Between 11th May 1998 (when collective agreements under the Labour Relations Act of 1995 commenced) and 15th April 1999, 94 collective agreements concluded in bargaining councils were extended to non-parties. Of these, 33 were main agreements (for example, related to conditions of employment), 27 were amending agreements, 14 were renewals or extensions, 15 were fund agreements (ie medical fund, pension fund), three were administrative agreements, and two were exemption and dispute agreements.<sup>19</sup> [<sup>19</sup> Telephonic interview with Mr Ron Tate, assistant director, labour relations, Department of Labour, 1 June 1999]

## **Wage Settlement Levels**

Nominal surveyed wage increases reached at centralised bargaining level averaged 8.6% in 1998, according to Andrew Levy and Associates. This was a 1.1 percentage point drop on the 1997 figure. In 1998 the average wage settlements reached with major trade unions ranged from 7.2% (South African Municipal Workers' Union) to 9.7% (Transport and General Workers' Union). The average minimum wage across surveyed industries in the non-agricultural sector (excluding domestic workers) was calculated at R1 885 a month, compared with R1 680 in 1997—an increase of 12% in nominal terms.<sup>20</sup> [<sup>20</sup> Andrew Levy and Associates, *Annual Report on Labour Relations in South Africa*, 1998–1999, pp42–45]

The table below shows the average level of wage settlements and the inflation rate from 1985 to 1998.<sup>21</sup> [<sup>21</sup> Ibid; Fast Facts No 12 1998]

### ***Wage settlements and the inflation rate: 1985–98***

*Year*

Average level of wage settlements<sup>a</sup>

Inflation rate

1985

13.7%

16.6%

**1986**

15.5%

18.4%

1987

17.2%

16.1%

**1988**

17.4%

12.9%

1989

17.4%

14.8%

**1990**

17.4%

14.2%

1991

16.1%

15.4%

**1992**

12.0%

13.9%

1993

10.0%

9.7%

**1994**

10.0%

8.9%

1995

11.5%

8.7%

**1996**

9.9%

7.4%

1997

9.7%

8.6%

**1998**

8.6%

6.9%

*Source:* Andrew Levy and Associates; Statistics South Africa

a

Excludes the agricultural and do

In the 14 years between 1985 and 1998 the average level of wage settlements was below the inflation rate only three times.

The following chart shows the average wage settlement level and the inflation rate from 1985 to 1998:

## **Workplace Forums**

In the two years between November 1996 (when the Labour Relations Act of 1995 came into effect) and November 1998, 43 applications for the establishment of workplace forums were received by the Commission for Conciliation, Mediation and Arbitration. Of these applications, 16 were approved and 22 were rejected. The remaining applications were being processed.<sup>22</sup> [<sup>22</sup> Information supplied by the Commission for Conciliation, Mediation and Arbitration (CCMA), 4 February 1999]

According to an industrial relations consultancy, Tony Healy and Associates, workplace forums were being spurned by both employers and workers because of overly prescriptive provisions which were 'nonsensical and unworkable'. Workplace forums did not take into consideration the development and maturity of South African workplace relations, the consultancy said.<sup>23</sup> [<sup>23</sup> *The Star* 18 November 1998]

Trade unions were also resistant to the establishment of workplace forums, according to a specialist labour attorney, Mr Marius van Staden. Unions believed that a representative body in a specific workplace other than a trade union could erode or fragment their power base, and they were therefore reluctant to support the concept of workplace forums.<sup>24</sup> [<sup>24</sup> *The Citizen* 1 September 1999]

A report by the Sociology of Work Unit at the University of the Witwatersrand showed that few workplace forums were being established, as a result of opposition from trade unions. Workplace forums are open to all employees and do not require membership fees. Forums could directly undermine trade

union authority and power, and therefore were not widely supported by unions.<sup>25</sup> [<sup>25</sup> *The Star Business Report* 19 April 1999]

## **DISPUTE RESOLUTION**

### **Commission for Conciliation, Mediation and Arbitration**

The Commission for Conciliation, Mediation and Arbitration (CCMA) handled 38 432 cases in 1998 (or average of 105 a day), of which 69% were settled. This represented a 29% increase in the number of cases handled by the CCMA (compared with 1997).

Some 77% of cases referred to the CCMA in 1998 related to unfair dismissals, while 11% related to unfair labour practices. The remaining 12% of cases related to issues of collective bargaining, matters of mutual interest, and severance pay. The commercial sector accounted for the single largest proportion of disputes referred to the CCMA (20%), followed by the private security industry (8%), the domestic service, building and construction, food and beverage, the business and service sectors (6% each). The remaining sectors each accounted for less than 5% of the total.<sup>26</sup> [<sup>26</sup> Information supplied by the CCMA, 8 February 1999]

### **Labour Courts**

The Industrial Court closed at the end of February 1999, according to Mr M Mogwathe, director of administration at the Industrial Court. (The Labour Relations Act of 1995 provided for the establishment of the Labour Court and the phasing out of the Industrial Court.) Any Industrial Court cases that had not been finalised would be transferred to the CCMA.<sup>27</sup> [<sup>27</sup> Telephonic interview with Mr M Mogwathe, director of administration, Industrial Court, 9 April 1999]

According to the CCMA, some 300 cases were transferred from the Industrial Court at the end of February 1999.<sup>28</sup> [<sup>28</sup> Telephonic interview with Eugene van Zuydam, senior commissioner, CCMA (KwaZulu-Natal), 20 April 1999]

Information on the number of cases referred to and resolved by the Labour Court was not available at the time of writing.

## **STRIKES AND LOCKOUTS**

### **Statistics**

In 1998 some 2.3m mandays were lost as a result of industrial action, according to Andrew Levy and Associates. This was an increase of 254% on the 1997 figure and the highest since 1994, when 3.9m mandays were lost. The consultancy said that the large increase was unexpected, but could be attributed

to the number of strikes which occurred in industries where new agreements were concluded. This included strikes in the security and transport sectors (sectors which were previously unorganised) and large-scale industrial action in the chemical and motor sectors.<sup>29</sup> [<sup>29</sup> Andrew Levy and Associates, *Wage Settlement Survey*, Quarterly Report, December 1998]

The table below shows the number of mandays lost as a result of industrial action from 1979 to 1998.<sup>30</sup> [<sup>30</sup> Fast Facts No 12 1998]

***Mandays lost as a result of industrial action:<sup>a</sup> 1979–98***

*Year*

Number

**Inc1979**

100 000

—

1980

250 000

150%

**1981**

500 000

100%

1982

150 000

(70%)

**1983**



250 000

68%

1984

950 000

280%

1985

1 250 000

32%

**1986**

1 350 000

8%

1987

9 000 000<sup>b</sup>

567%

**1988**

1 500 000

83%

1989

3 090 000

106%

**1990**

4 000 000

29%

1991

3 800 000

(5%)

**1992**

4 200 000

(11%)

1993

3 600 000

(14%)

**1994**

3 900 000

8%

1995

1 600 000

(59%)

**1996**

1 700 000

6%

1997

650 000

(62%)

**1998**

2 300 000

254%

*Source:* Andrew Levy and Associates

a

Includes strikes, lockouts, and stayaways

b

This high level of industrial action was as a result of two large strikes, in the mining and transport sectors.

The chart below shows the number of mandays lost as a result of industrial action between 1979 a

Wage disputes triggered some 97% of strikes in 1998, the highest level in eight years.

The table below shows issues triggering industrial action from 1987 to 1998.<sup>31</sup> [<sup>31</sup> Ibid]

***Strike triggers: 1987–98<sup>a</sup>***

*Year*

Wages

Recognition/ retrenchment

Grievances<sup>b</sup>

Dismissal/ discipline

Other<sup>c</sup>

1987

33.7%

38.6%

7.2%

20.5%

–

**1988**

40.4%

21.6%

5.6%

16.8%

15.6%

1989

76.9%

5.0%

2.3%

3.5%

12.3%

**1990**

66.3%

2.8%

11.8%

3.9%

15.2%

1991

68.0%

6.0%

16.0%

8.0%

2.0%

**1992**

78.2%

2.4%

14.1%

4.9%

0.4%

1993

68.8%

13.1%

16.4%

1.7%

—

**1994**

65.3%

3.0%

19.8%

10.6%

1.3%

1995

87.0%

2.0%

11.0%

1.0%

—

**1996**

57.4%

3.0%

37.0%

2.6%

—

1997

70.1%

18.0%

8.2%

3.7%

—

**1998**

96.8%

0.8%

1.2%

1.1%

—

*Source:* Andrew Levy and Associates

a

Figures should add up horizontally but may not, owing to rounding.

b

For example conditions of employment or discrimination.

c

Includes sympathy strikes.

—

There were no strike triggers which fell into the category ‘other’.

The table below shows the main sectors in which strikes occurred from 1991 to 1998 (calculated according to the number of

***Strikes by sector: 1991–98<sup>a</sup>***

*Sector*

1991

1992

1993

1994

1995

1996

1997

1998

Automobile

27.3%

19.2%

—

24.8%

1.0%

9.6%

4.9%



28.0%

## Building

2.9%

0.6%

—

2.3%

—

—

—

—

## Chemical

2.7%

2.4%

1.6%

4.9%

1.0%

3.1%

0.2%

36.0%

## Finance<sup>b</sup>

2.4%

—

—

1.7%

—

0.1%

—

—

**Food**

4.5%

4.3%

4.0%

9.1%

7.0%

0.4%

37.4%

8.4%

**Metal<sup>c</sup>**

2.9%

—

—

—

—

—

—

0.9%

### Manufacturing<sup>d</sup>

—

39.3%

1.6%

1.0%

2.0%

1.0%

11.1%

—

### Mining

12.6%

2.8%

2.4%

25.1%

4.0%

28.8%

19.1%

4.9%

Printing

2.0%

—

—

0.9%

—

—

16.2%

—

Retail

7.8%

13.1%

16.8%

14.5%

1.0%

0.4%

3.4%

4.4%

State

7.9%

12.7%

67.6%

12.3%

71.0%

6.4%

1.6%

—

Textile

—

1.5%

5.2%

1.4%

1.0%

42.4%

0.7%

5.6%

Transport<sup>e</sup>

13.0%

0.1%

0.8%

2.0%

9.0%

6.8%

0.1%

—

Other

13.9%

3.9%

—

—

2.0%

1.0%

5.3%

11.8%

*Source:* Andrew Levy and Associates

a

Figures should add up vertically but may not, owing to rounding.

b

Figures for 1994 include 'other'.

c

Figures for 1991 include manufacturing.

d

Figure for 1998 includes the metal industry.

e

Figures for 199

The main industries affected by industrial action in 1998 were the chemical (36% of all mandays lost) and automobile (28%) industries (other industries each accounted for less than 10% of the total).

Strikes by state employees accounted for the single largest proportion of strikes in two of the eight years between 1991 and 1998.

The number of workers involved in strikes from 1989 to 1998 is shown in the table below.<sup>33</sup> [<sup>33</sup> Ibid; Andrew Levy and Associates, *Wage Settlement Survey*, December 1998]

***Number of workers involved in strikes: 1989-98<sup>a</sup>***

<i>Year</i>
1-199
200-499
500-999
1 000+
1989
31.9%

26.7%

19.0%

22.4%

**1990**

39.2%

22.8%

14.3%

23.7%

1991

22.6%

28.3%

19.5%

29.5%

**1992**

31.8%

22.7%

14.5%

30.9%

1993

18.1%



29.1%

14.5%

38.2%

**1994**

28.0%

26.0%

11.0%

36.0%

1995b

1.0%

2.0%

8.0%

90.0%

**1996**

25.0%

16.0%

11.0%

48.0%

1997

18.7%

22.9%

14.6%

43.7%

**1998**

2.6%

26.3%

5.3%

65.8%

*Source:* Andrew Levy and Associates

a

Figures should add up horizontally but may not, owing to rounding

b

Most strikes occurred in the public sector — industrial action had been restricted previously and both management and workers were new to the negotiating process.

The chart below shows the number of workers involved in strikes between

More workers were taking part in strikes in 1998 than previously (with the exception of 1995). In 1989, slightly more than a fifth of strikes involved 1 000 or more workers, while in 1998 this had increased to nearly two thirds.

Between 1989 and 1997 strikes lasted an average of two to nine days, except in 1995, when 85% of strikes lasted for ten days or longer, and in 1998, when 42% of strikes lasted ten days or longer. The following table shows the duration of strikes from 1989 to 1998:<sup>34</sup> [34 Fast Facts No 12 1998; Andrew Levy and Associates, *Wage Settlement Survey*, December 1998]

***Duration of strikes: 1989–98<sup>a</sup>***

*Year*

1 day

2–4 days

5–9 days

10 days +

1989

40.5%

24.8%

19.5%

15.2%

**1990**

40.4%

33.4%

14.9%

11.2%

1991

23.6%

31.2%

21.7%

23.6%

**1992**

30.0%

28.2%

13.6%

28.2%

1993

17.8%

35.7%

28.6%

17.8%

**1994**

18.4%

43.4%

19.9%

18.4%

1995<sup>b</sup>

2.0%

5.0%

9.0%

85.0%

**1996**

27.5%

31.1%

15.5%

25.8%

1997

10.4%

33.3%

12.5%

43.7%

**1998**

21.0%

21.0%

15.8%

42.1%

*Source:* Andrew Levy and Associates

a

Figures should add up horizontally but may not, owing to rounding.

b

A strike by municipal workers belonging to the South African Municipal Workers' Union lasted 19 days and accounted for 754 300 mandays lost

The following chart shows the duration of strikes fro

The Department of Labour does not keep separate statistics on lockouts. The figures are included in the number of mandays lost as a result of industrial action.

## Strike Violence

During the period under review a number of strikes and stayaways were characterised by acts of violence, including murder, attempted murder, intimidation, damage to property, assault, and hostage taking. Comprehensive statistics were not available.

A report commissioned by the International Labour Organisation and published in November 1998, highlighted the high level of strike-related violence which occurred during strikes in the chemical, clothing, food, and motor industries in 1998. More than 14 people were killed, and over 100 people were assaulted. Damage to company property was extensive. The report stated that factors contributing to violence during strikes included the use, by companies, of replacement labour, and the 'culture of violence or tolerance of violence that still exists in South Africa'.<sup>35</sup> [<sup>35</sup> *Business Day* 5 October 1998, 13 November 1998]

## Secondary Strikes

During the period under review members of the National Union of Metaworkers of South Africa (Numsa) embarked on the first sympathy strike under the Labour Relations Act of 1995. An estimated 200 000 workers staged two one-day protests in September 1998 in support of Numsa members in the motor manufacturing and component sectors. Numsa members in those sectors were on a five-week strike after a dispute arose with the South African Motor Industry Employers Association. The union had demanded, among other things, that wage negotiations be based on actual rates of pay and not minimum rates.<sup>36</sup> [<sup>36</sup> Andrew Levy and Associates, *Annual Report on Labour Relations in South Africa*, 1998–1999; *Beeld* 5 October 1998, 6 October 1998]

## Essential Services

In terms of the Labour Relations Act of 1995, an essential services committee was set up (under the auspices of the Commission for Conciliation, Mediation and Arbitration) to determine whether or not a service, or part of a service, could be classified as an essential service or a maintenance service.

Essential services are those which, if interrupted, would endanger the life, personal safety or health of the whole or any part of the population. Strikes or lockouts in essential services are not protected in terms of the Labour Relations Act of 1995. This means that although strikes in essential services are permitted, strikers could be subjected to disciplinary action or dismissed. A maintenance service is a service which, if interrupted, would destroy any working area, factory or machinery.

In 1997 a number of services were designated essential (see 1997/98 Survey, pp12–13). No new services were declared essential by the committee during the period under review.

## SECURITY

### BIRD'S EYE VIEW

In 1998 and 1999 the criminal justice system continued to come under the scrutiny of the South African public. A national *Victims of Crime Survey* showed that in 1997, some 21% of South African households had experienced at least one household crime (such as hijacking or murder), one household in 200 had experienced at least one incidence of murder, 3.8m South Africans over the age of 16 had been the victim of at least one individual crime (such as assault), and one in every 250 had been the victim of a sexual offence.

Statistics published by the South African Police Service (SAPS) showed that in 1998 the crime rate (calculated per 100 000 of the population) for certain crimes—such as murder, robbery with aggravating circumstances, and vehicle theft—had dropped in the five years since 1994. However, crimes such as burglary of residential premises, car and truck hijacking, and rape had risen over the same period. Despite government assurances that the criminal justice system was winning the war on crime, South Africans continued to express the belief that crime levels in the country remained unacceptably high.

The Department of Safety and Security published a white paper on safety and security in September 1998. The document emphasised two key interventions in combating crime—effective law enforcement and effective crime prevention with a focus on addressing the social causes of crime. The white paper also encouraged the inclusion of business, community groups, and local government in crime prevention.

In addition, legislation which made gang membership a criminal offence and which targeted organised crime groups, money laundering, and racketeering activities was passed during the period under review. This legislation included maximum penalties of life imprisonment and fines not exceeding R1bn for specific activities in contravention of the law. Other legislative measures in 1998 provided for the appointment of a national director of public prosecutions to determine and regulate prosecuting policy, increased measures to protect witnesses in criminal cases, and the regulation of the correctional services system. Moreover, provision was made in law for the establishment of metropolitan police forces to assist in crime prevention and law enforcement. Legislation governing the use of force by police officials while effecting an arrest or apprehending a suspect was also passed in 1998.

Incidents of police brutality still occurred. These raised debate in the media and led to the establishment of community-based organisations to assist suspended police officials accused of acts of brutality against suspects. The murder of police officials (both on and off duty) continued. Stress-related problems were cited as contributing to high police suicide levels, high absenteeism levels, and continued resignations.

Furthermore, public confidence in the police did not show marked improvement in 1998. A survey conducted by Statistics South Africa showed that only about a quarter of respondents thought that the police had become more effective in the five years since 1994. Another survey showed that half of respondents said the police had failed in the fight against crime.

Conviction rates continued to decline in 1997. Fewer than a third of murder prosecutions resulted in conviction. More than 80% of prosecutions on charges of rape were unsuccessful, while just over a third of prosecutions for housebreaking (business and residential premises) were successful. Convictions on charges of hijacking were obtained in only 19% of cases prosecuted.

The prison population continued to increase. Provisional figures for 1998/99 put it at 156 000. This figure was expected to almost double by 2001/02. In 1998 there were just over 25 000 juveniles in South African prisons—an increase of almost 6 000 compared with 1996. The staff/offender ratio remained well below the international norm. However, despite the shortage of correctional officers, prison escapes more than halved between 1997 and 1998.

In November 1998 the Department of Correctional Services announced that privileges would be curtailed in respect of luxury items found in South African prisons, such as cellular telephones, microwave ovens, and television sets. According to the minister of correctional services, Mr Ben Skosana, there was a perception that prisoners enjoyed more privileges than ordinary citizens. The policy shift also aimed to reduce contraband items which were being smuggled into prisons, among them drugs and weapons of various types.

In May 1999 contracts for the first two of four prisons to be built, financed, maintained, and operated by the private sector were awarded.

In October 1999 Parliament's public accounts committee adopted a resolution to remove the commissioner of correctional services, Mr Kulekani Sithole. Findings by the auditor-general indicated, among other things, that there were irregularities in payment to Mr Sithole and that voluntary severance packages to 44 members of the department did not meet prescribed criteria. Mr Sithole handed in his resignation in November 1999.

In September 1999 a draft policy for firearm control was recommended by the minister of safety and security Mr Steve Tshwete. The draft Firearm and Ammunition Control Bill provided for stricter conditions in the issuing of firearm licenses and increased policing powers in the search and seizure of firearms and ammunition. The draft also advised that schools, churches, hospitals, shebeens, and bars be declared gun-free zones.

In September 1999 the cabinet approved the purchase of armaments for the South African National Defence Force at a cost of approximately R21.3bn, with options to buy another R8.5bn worth of weaponry. The armaments included corvettes, fighter aircraft, helicopters, and submarines. The purchase of these armaments and the cost involved were criticised by groups such as Gun Free South Africa and



the Coalition for Defence Alternatives, as well as by some opposition parties, which argued that the money could be better spent addressing socio-economic problems facing South Africa.

## KEY POINTS

- One household in five experienced at least one household crime during 1997, housebreaking and burglary occurring most frequently, according to an official survey published in December 1998.
- One household in 200 experienced at least one murder incident in 1997.
- In 1997 approximately 3.8m South Africans over the age of 16 were the victims of at least one individual crime.
- One in every 250 people was the victim of a sexual offence in 1997.
- Some 17% of white and coloured respondents were the victims of at least one individual crime in 1997, compared with 14% of African and 11% of Indian respondents.
- In 1998 there were 775 attacks on farms and smallholdings, during which 134 farmers were murdered—an increase of 123% in the number of attacks and 58% in the number of murders compared with 1997.
- Between 1994 and 1998 there were an average of 34 child rapes a day. The daily average of other types of crime against children—including abduction, assault, and kidnapping—was 88 in the same period.
- A United Nations survey conducted in 1998 showed that South Africa had the fourth highest firearm-related murder rate in the world, an average of 30 people dying each day. Brazil recorded the highest number of firearm-related deaths, followed by Colombia and the United States.
- An average of 226 police officials a year were murdered in the period 1995 to 1998. Australia and New Zealand had, on average, five murders of police officers a year.
- Between January and December 1998, 204 people died in police custody. An additional 555 people died as a result of police action outside custody.
- The number of escapes from police custody increased by 7% between 1996 and 1997. Of the total number of escapees in 1997, just over a third were re-arrested.
- In 1998 the number of prison escapes halved compared with 1997.
- In 1997, 32% of prosecutions on charges of murder resulted in conviction. Some 84% of prosecutions on charges of rape were unsuccessful.

- Between January and August 1999 political violence resulted in 231 deaths. Between September 1984 and August 1999 political fatalities totalled 24 345.
- Losses owing to crime and crime-prevention measures cost South African banks about R1.1bn annually, according to the chief executive officer of the South African Banking Council, Mr Bob Tucker.
- Mr Tucker said that bank and cash-in-transit robberies had declined from 465 in 1997 to 382 in 1998, a drop of 18%.

## LEGISLATION

This section deals with security legislation in general and includes legislation pertaining to the police, justice, correctional services, and the defence force.

### National Prosecuting Authority Act of 1998

The National Prosecuting Authority Act of 1998 provided, among other things, for the appointment of a national director of public prosecutions, who would determine and regulate prosecuting policy in all of the provinces. The national director would be appointed by the president for a non-renewable term of ten years. (See also 1997/98 Survey, p27 and *National director of public prosecutions* under *Justice* below.)

1 [1 National Prosecuting Authority Act, no 32 of 1998, *Government Gazette* no 19021, 3 July 1998]

### Judicial Matters Amendment Act of 1998

The Judicial Matters Amendment Act of 1998 introduced various amendments to existing legislation, including bans on private military training and private training in the use of ammunition and explosives for either military or paramilitary purposes. The act also prohibited the supply of ammunition and explosives to members and supporters of any organisation. Members of the South African National Defence Force, the South African Police Service, municipal police forces, the Department of Correctional Services, Denel, and the Armaments Development and Production Corporation of South Africa were exempt from the stipulations of the act in so far as their actions fell within the scope of their duties. A maximum sentence of five years was stipulated for contraventions of the act.<sup>2</sup> [2 Judicial Matters Amendment Act, no 34 of 1998, *Government Gazette* no 19022, 3 July 1998]

### Judicial Matters Second Amendment Act of 1998

The Judicial Matters Second Amendment Act of 1998 provided for various amendments to existing legislation. Included in these was the regulation of the use of force in arresting suspects. The act provided that:<sup>3</sup> [3 Judicial Matters Second Amendment Act, no 122 of 1998, *Government Gazette* no 19590, 11 December

1998]

- where it was clear that a suspect could not be arrested without the use of force, such force could be used where it was ‘reasonably necessary and proportional in the circumstances to overcome the resistance or to prevent the suspect from fleeing’; and
- deadly force could be used if the person making the arrest believed, on reasonable grounds, that the force was immediately necessary for his or her protection or the protection of any other person; that there was a substantial risk that delayed arrest would result in imminent or future death or grievous bodily harm; or that the offence was, according to the person making the arrest, still in progress and of a serious nature involving the use of life-threatening violence and that grievous bodily harm could be caused by the perpetrator.

## **Defence Special Tribunal Act of 1998**

The Defence Special Tribunal Act of 1998 provided for the Labour Court to act as a special tribunal to resolve disputes which could arise out of transitional arrangements in respect of military institutions or the rationalisation of the Department of Defence. This act would cease to have effect on 31st December 2001.<sup>4</sup> [4 Defence Special Tribunal Act, no 81 of 1998, *Government Gazette* no 19405, 28 October 1998]

## **South African Police Service Amendment Act of 1998**

The South African Police Service Amendment Act of 1998 provided for the establishment, functions, and control of municipal police forces. Among other things, the act provided that:<sup>5</sup> [5 South African Police Service Amendment Act, no 83 of 1998, *Government Gazette* no 19407, 28 October 1998]

- any municipality could apply for the establishment of a municipal police service in its area of jurisdiction;
- the application would be approved subject to certain conditions, including the provision of civilian oversight of the municipal police service and that all expenditure incurred in respect of the establishment, maintenance, and function of the service would be carried by the municipality;
- the functions of the municipal police would be traffic policing, the policing of municipal bylaws, and the prevention of crime;
- members of the municipal police service would have the same powers as conferred on peace officers, which would allow them to make arrests and perform other functions normally performed by the police; and
- the national commissioner of the South African Police Service would be able to determine national

standards of policing for municipal police services, as well as national standards for the training of members of those services. (See also 1997/98 Survey, p65.)

## **Correctional Services Act of 1998**

The Correctional Services Act of 1998 provided for the regulation of the correctional services system. This included control of the functions of the Department of Correctional Services in respect of sentenced and unsentenced prisoners, and people on community correction. The act further provided for the custody of all prisoners under humane conditions as required by the constitution. It entrenched the rights and obligations of sentenced and unsentenced prisoners, and people under community correction. Moreover, the act regulated the release of prisoners and their placement on parole (including day parole) or under correctional supervision. Among other things, the act also provided for the following:<sup>6</sup> [<sup>6</sup>

Correctional Services Act, no 111 of 1998, *Government Gazette* no 19522, 27 November 1998; Section 35(2)(e), Constitution of the Republic of South Africa, 1996, act no 108 of 1996]

- the establishment of joint ventures with the private sector to design, construct, finance, and operate a prison, or part of a prison, for a period not exceeding 25 years (see also 1997/98 Survey, pp26, 71, and *Privatisation of prisons* below); and
- the delineation of actions undertaken by employees of the Department of Correctional Services which constituted criminal offences. These included assisting prisoners to escape from custody, selling or supplying any articles to a prisoner, and the unauthorised removal of prisoners from prisons.

## **Witness Protection Act of 1998**

The Witness Protection Act of 1998 provided for the regulation of the protection of witnesses through the establishment of the Office for Witness Protection. The act provided that:<sup>7</sup> [<sup>7</sup> Witness Protection Act, no 112 of 1998, *Government Gazette* no 19523, 27 November 1998]

- any witness who has reason to believe that his or her safety or the safety of a related person (ie any member of the family or household of a witness, or any other person in a close relationship or association with a witness) is in danger may apply for protection;
- any witness or related person who has applied for witness protection may be placed under temporary protection for a period not exceeding 14 days, pending the outcome of the application for protection;
- offences in respect of which witnesses or related persons can be placed under protection include indecent assault on a child, murder, rape, sedition, and treason;
- due consideration must be given to the nature and extent of the risk to the safety of the witness or related person when reviewing an application for protection; and

- a maximum penalty of 30 years' imprisonment may be imposed on any person found guilty of wilfully or negligently allowing any unauthorised person to gain access to a protected person, or who discloses any information regarding the protected person.

## **Prevention of Organised Crime Act of 1998**

The Prevention of Organised Crime Act of 1998 introduced measures to combat organised crime, money laundering, and criminal gang activities (see also *Fast Facts*, June 1998). With regard to racketeering activities the act provided for the following:<sup>8</sup> [<sup>8</sup> Prevention of Organised Crime Act, no 121 of 1998, *Government Gazette* no 19553, 4 December 1998]

- a maximum penalty of a fine of R1bn or a sentence of up to life imprisonment for offences including receiving and retaining any property derived through racketeering where the person knew, or should reasonably have known, that the property was derived from such activities, and participation in any enterprise which conducts racketeering activities;
- the hearing of evidence with regard to hearsay, similar facts, or previous convictions by the court despite the fact that such evidence might otherwise be inadmissible, provided that the evidence would not render a trial unfair; and
- increased jurisdiction of the regional courts to impose fines not in excess of R100m and prison sentences of up to 30 years for people convicted of racketeering offences.

With regard to the proceeds of unlawful activities the act stipulated that the following activities would constitute criminal offences:<sup>9</sup> [<sup>9</sup> Ibid]

- money laundering;
- assisting other people to benefit from the proceeds of unlawful activities;
- the acquisition, possession, or use of the proceeds of unlawful activities; and
- failure to report suspicion regarding the proceeds of unlawful activities.

The act further provided for:<sup>10</sup> [<sup>10</sup> Ibid]

- the recovery of the proceeds of unlawful activity; and

- the civil forfeiture of criminal assets which have been used to commit an offence or are the proceeds of unlawful activities.

The act also made it an offence for any person to participate actively in, be a member of, or intentionally recruit members to join, a criminal gang. Furthermore, if a person was convicted of any offence and was found to have been a member of a criminal gang at the time of the offence, this would be considered an aggravating factor for sentencing purposes. Sentences for criminal gang activities would range from three to eight years' imprisonment (see also *Gangrelated crime* below).<sup>11</sup> [<sup>11</sup> Ibid]

## CRIME AND VIOLENCE

### Statistics and Trends

#### Latest Official Figures

The following table gives the official crime figures and the ratio per 100 000 of the population for 1998 and compares these with 1994:<sup>12</sup> [<sup>12</sup> Crime Information Analysis Centre (formerly the Crime Information Management Centre), South African Police Service (SAPS), *The Incidence of Serious Crime: January to December 1998*, April 1999]

#### *Official crime figures: 1994 and 1998<sup>a</sup>*

Ratio per 100 000 of the population<sup>b</sup>

Actual numbers

Type of crime

1994

1998

Inc1994

1998

**IncViolent crime**

Murder

69.3

58.5

(15.6%)

26 832

24 875

(7.3%)

Attempted murder

70.5

69.2

(1.8%)

27 300

29 418

7.8%

Robbery with aggravating circumstances<sup>c</sup>

219.2

207.6

(5.3%)

84 900

88 319

4.0%

**Social fabric crime**

Rape (including attempts)

109.6

115.8

5.7%

42 429

49 280

16.1%

Assault with intent to inflict grievous bodily harm

542.9

5501.3%

210 250

234 056

11.3%

Common assault

500.3

468.5

( 6.4%)

193 764

199 313

2.9%



**Property-related crime**

Housebreaking (business)

230.0

221.2

(3.8%)

89 058

94 102

5.7%

Housebreaking (residential)

588.8

627.2

6.5%

228 021

266 817

17.0%

Other robbery

83.7

146.0

74.4%

32 423

62 111

91.6%

Shoplifting

173.1

148.1

(14.4%)

67 059

63 001

( 6.1%)

Stock theft

116.5

95.2

(18.3%)

45 137

40 490

(10.3%)

Theft of motor vehicles<sup>d</sup>

269.3

252.7

( 6.2%)

104 302

107 513

3.1%

Theft out of/from motor vehicles

471.5

443.0

( 6.0%)

182 624

188 438

3.2%

Other thefts

987.4

1 004.1

1.7%

382 407

427 132

11.7%

**Commercial crime**

All fraud and white-collar crime

161.6

145.9

(9.7%)

62 581

62 086

( 0.8%)

**Violence aimed at property**

Arson

29.3

23.8

(18.8%)

11 357

10 130

(10.8%)

**Malicious damage to property**

316.6

299.9

(5.3%)

122 598

127 590

4.1%

**Crimes heavily dependent on police action for detection**

### Illegal possession of firearms and ammunition

28.8

34.0

18.1%

11 136

14 463

29.9%

### Drug-related crime

122.2

93.6

(23.4%)

47 323

39 830

(15.8%)

### Driving under the influence of alcohol or drugs

69.1

60.2

(12.9%)

26 771

25 606

(4.4%)

**Total**

5 159.6

5 065.1

(1.8%)

1 998 272

2 154 570

7.8%

*Source:* Crime Information Analysis Centre, South African Police Service

a

Not all crimes have been included. This table includes only the 20 most serious categories of crime as identified by the South African Police Service

b

Calculated on estimates from the 1996 census

c

Includes bank robberies, car and truck hijackings, and the robbery of cash-in-transit

d

Including the theft of motorcycles.

## **Crime Victims**

In December 1998 Statistics South Africa published the results of a national *Victims of Crime Survey* which had been conducted during March of the same year. The survey made use of a sample of 4 000 people aged 16 years or older. While the sample size was, in some instances, too small for area-level

analysis, it provided an overview of national trends both in victim rates and in the non-reporting or under-reporting of crime.<sup>13</sup> [<sup>13</sup> Statistics South Africa (Stats SA), *Victims of Crime Survey*, December 1998]

The survey used two groupings of crime—household crime and individual crime. These groupings were further divided into violent and non-violent crimes. *Violent household crimes* were described as the deliberate damage, burning, or destruction of dwellings; hijacking or attempted hijacking of motor vehicles; and murder. (Murder is included in the category of household crime because individual crimes are described as crimes reported by the victims. This would not be the case with murder.) *Non-violent household crimes* included housebreaking and burglary (including attempts); theft of livestock; theft of motor vehicles; theft of goods from motor vehicles; vandalism of motor vehicles; theft of motorcycles and scooters; and theft of bicycles.

*Violent individual crimes* included in the survey were assault or the threat of assault (including domestic violence), robbery involving the use of force, and sexual offences (including domestic sexual abuse and rape). *Non-violent individual crimes* were corruption by public officials, fraud, and the theft of personal property.<sup>14</sup> [<sup>14</sup> Ibid]

In respect of *household* crimes (violent and non-violent) the survey found the following:<sup>15</sup> [<sup>15</sup> Ibid]

- 21% of households experienced at least one crime during 1997, with housebreaking and burglary occurring most frequently;
- one household in 200 (or 45 000 households throughout the country) experienced at least one incident of murder during 1997;
- the highest incidence of household crime occurred in Gauteng, where almost one quarter of households experienced at least one such crime in 1997. The lowest was in the Northern Province (12%); and
- affluent households experienced fewer crimes than poor households.

Results of the survey in respect of *individual* crimes (violent and non-violent) showed that:<sup>16</sup> [<sup>16</sup> Ibid]

- some 15% (or 3.8m) of South Africans over the age of 16 were the victims of at least one individual crime during 1997;
- theft of personal property was the single most frequent individual crime (5%), followed by assault (4%);
- one in every 250 people over the age of 16 was the victim of a sexual offence in 1997;

- some 17% of white and coloured respondents were the victims of at least one individual crime in 1997, compared with 14% of African and 11% of Indian respondents. In actual numbers 2.6m Africans over the age of 16 experienced at least one individual crime in 1997, followed by whites (550 000), coloured people (371 000), and Indians (128 000);
- African and coloured people were more likely to have experienced violent individual crimes, while white respondents were more likely to have been the victims of non-violent individual crimes;
- one in every six men and one in every eight women was the victim of a least one individual crime in 1997. Men were more likely to have experienced all categories of individual crime, with the exception of sexual offences;
- individual crimes occurred more frequently among younger people than among older people;
- the highest levels of non-violent crime occurred in Gauteng and the Western Cape (where 12% of respondents in each province reported at least one non-violent crime) and the lowest levels in Mpumalanga (8%), and the Northern Province (4%). The highest level of violent individual crimes occurred in the Free State (12%) and the lowest in the Northern Province (3%); and
- violent individual crimes were more frequent among low-income than among high-income earners. However, non-violent individual crimes were more prevalent among high-income earners.

The survey also found that a higher proportion of crimes occurred within the environment in which a person lived. Moreover, in the cases of assault and sexual offences the victim was likely to know the offender—most frequently a friend or relative. In crimes involving the use of a weapon, that weapon was most often either a firearm or a knife. Other weapons included batons, blunt objects such as rocks, explosive devices, and pangas.<sup>17</sup> [<sup>17</sup> Ibid]

## **Reporting of Crime**

The survey tried to ascertain levels of both the reporting and non-reporting of crime in 1997. Results showed that:<sup>18</sup> [<sup>18</sup> Ibid]

- the extent to which household crime was reported depended largely on the type of crime. Theft of a motor vehicle was reported most often (95%), followed by murder (83%). Attempted burglary was least likely to be reported (41%);
- household crimes in urban areas were more likely to be reported than those in non-urban areas. This could be attributed to the fact that police in non-urban areas were less accessible;
- individual crimes tended to be less frequently reported than household crimes in 1997. The least



frequently reported individual crime was theft of personal property (28%), followed by robbery with force (41%), and sexual offences (47%); and

- women were less likely to report individual crimes than men, with 44% of male respondents indicating that they had reported robbery with force compared with 37% of female victims.

The survey further found that there were four main reasons given by respondents for not reporting a crime to the police. These were:<sup>19</sup> [<sup>19</sup> Ibid]

- *police issues*, where respondents felt that the police would not solve the crime or that they were inaccessible and/or corrupt, or that the police would not take the incident seriously. Some respondents indicated that they had previously had bad experiences when dealing with the police;
- *perpetrator issues*, where respondents could not identify the perpetrator(s) or feared reprisals from the perpetrator(s);
- *crime-related issues*, where respondents believed that the crime was not serious enough to warrant police involvement, or because items stolen were not insured, were old, or were not valuable. Others claimed that they had solved the crime themselves; and
- *self-blame issues*, where respondents had a fear of being blamed or a fear of being exposed or embarrassed.

## Reported Offences and Crime of Various Types

In the period 1994–98 the number of assaults (with intent to inflict grievous bodily harm) increased by 11%, rapes by 16%, and robberies by 28%. Murders dropped by 7%.

The following table shows selected crimes to the person reported to the police during the period 1994–98:<sup>20</sup> [<sup>20</sup> 1997/98 Survey, p27; Crime Information Analysis Centre, SAPS, *Report on the Incidence of Serious Crime*, April 1999]

### *Crimes to the person: 1994–98<sup>a</sup>*

Assault<sup>b</sup>

Murder

Rape

Robbery<sup>c</sup>

1994<sup>d</sup>

210 250

26 832

42 429

117 323

1995<sup>d</sup>

220 990

26 637

47 506

120 952

1996

230 425

25 782

50 481

118 755

1997

234 554

24 588

52 160

122 371

1998

234 056

24 875

49 280

150 430

*Source:* Crime Information Analysis Centre, South African Police Service

a

Not all crimes to the person have been included.

b

With intent to inflict grievous bodily harm (excluding common assault).

c

Including robbery with aggravating circumstances.

d

These figures were updated by the South African Police Service in the report *The Incidence of Serious Crime: January to December 1996, March 1997*, and differ from figures contained in earlier SAPS reports on crime for 1994 and 1995.

In the period 1994–98 the number of housebreakings (business and residential premises) increased by 14%. Thefts of motor vehicles and thefts out of or from motor vehicles each increased by 3%. Shoplifting decreased by 6% in this period.

Below is a table of selected crimes to property reported to the police during the period 1

***Crimes to property: 1994–98<sup>a</sup>***

***Theft of a motor vehicle<sup>b</sup>***

## TheHouse-breaking<sup>c</sup>

### Shoplifting

1994<sup>d</sup>

104 302

182 624

317 079

67 059

1995<sup>d</sup>

101 056

189 811

330 442

63 037

1996

96 715

180 229

334 301

62 198

1997

100 637

176 254

337 985

63 795

1998

107 513

188 438

360 919

63 001

*Source:* Crime Information Analysis Centre, South African Police Service

a

Not all crimes to property have been included

b

Including motorcycles.

c

Residential and business premises.

d

These figures were updated by the South African Police Service (SAPS) in the report *The Incidence of Serious Crime: January to December 1996, March 1997*, and differ from figures contained in earlier SAPS reports on crime for 1994 and 1995.

## ***International Crime Trends***

This section deals with international crime statistics for 1995 and 1996 as published by the International Criminal Police Organization (Interpol). However, it is necessary to note that figures for the 104 Interpol member countries are not strictly comparable. The legal definitions of specific types of crime vary from country to country. In many cases the figures submitted are relatively unsophisticated and are

reproduced as they are received.<sup>22</sup> [22 International Criminal Police Organization (Interpol), *International Crime Statistics: 1995*, publication date unknown]

The table below shows crime statistics in various countries by type of crime together with the figures for South Africa in 1995 and 1996 (latest dates for which international statistics are available). Ratios per 100 000 of the population have been calculated on population figures provided by member countries for 1995 and 1996.<sup>23</sup> [23 Ibid; Crime Information Analysis Centre, SAPS, *The Incidence of Serious Crime: January to March 1998*, July 1998; Interpol, *International Crime Statistics: 1996*, publication date unknown]

***International crime trends: 1995 and 1996<sup>a</sup>***

Ratio per 100 000 of the population

Actual number of incidents reported to the police

Proportion of cases solved<sup>b</sup>

Country

1995

1996

1995

1996

1995

1996

**Murder<sup>c</sup>**

*South Africa*

54.1

61.0<sup>d</sup>

22 306

25 782<sup>d</sup>

64.1%

N/A

**Argentina**

4.0

43.5

1 327

14 350

53.0%

65.0%

**Australia**

3.5

3.5

622

642

N/A

N/A

**Botswana**

15.6

12.9

242

207

N/A

N/A

Canada

5.1

4.9

1 518

1 481

83.0%

77.7%

**Chile**

3.9

3.9

521

560

86.6%

90.9%

Colombia

72.4

59.1



25 398

23 350

N/A

N/A

**France**

4.4

4.1

2 563

2 385

75.1%

74.9%

**Germany**

4.9

4.3

3 960

3 531

88.2%

92.1%

**Israel**

2.1

2.1

117

117

71.4%

62.4%

Japan

1.0

1.0

1 281

1 218

96.5%

98.2%

**Russian Federation**

21.4

N/A

31 703

N/A

72.6%

N/A

United Kingdom<sup>s</sup>

N/A

2.6

N/A

1 354

N/A

93.0%

**United States**

8.2

7.4

21 597

19 645

64.8%

66.9%

Rape<sup>e</sup>

*South Africa*

109.9

119.5

45 322

50 481

71.3%

64.6%

**Argentina**

3.4

21.7

1 108

7 150

38.4%

39.7%

Australia<sup>f</sup>

N/A

N/A

N/A

N/A

N/A

N/A

**Botswana**

67.9

68.5

1 056

1 101

N/A

N/A

Canada<sup>f</sup>

N/A

N/A

N/A

N/A

N/A

N/A

**Chile**

9.4

10.8

1 254

1 571

70.7%

59.5%

**Colombia**

4.7

3.2

1 655

1 259

N/A

N/A

**France**

12.7

12.4

7 350

7 191

88.4%

87.1%

**Germany**

7.6

7.6

6 175

6 228

73.5%

75.9%

**Israel**

9.4

13.0

526

710

72.0%

72.8%

Japan

1.2

1.2

1 500

1 483

94.0%

88.8%

**Russian Federation**

8.5

N/A

12 515

N/A

82.2%

N/A

United Kingdom

N/A

8.8

N/A

4 594

N/A

77.0%

**United States**

37.1

36.1

97 464

95 769

51.1%

51.9%

**Robbery and violent theft**

*South Africa*

292.1

281.2

120 483

118 755

30.0%

30.2%

**Argentina**

3.2



32.1

1 046

10 590

46.8%

51.8%

Australia

91.2

33.9

16 466

6 217

N/A

N/A

**Botswana**

73.3

72.9

1 140

1 172

N/A

N/A

Canada

102.3

104.3

30 273

31 242

31.5%

32.1%

**Chile**

40.5

57.1

5 402

8 273

24.4%

16.6%

Colombia

N/A

69.5

N/A

27 443

N/A

N/A

**France**

128.5

137.0

74 577

79 459

23.2%

21.9%

Germany

77.8

82.6

63 470

67 578

45.8%

47.4%

**Israel**

18.3

22.3

1 029

1 223

41.0%

33.3%

Japan

1.8

2.0

2 277

2 463

82.7%

80.1%

**Russian Federation**

120.1

N/A

177 616

N/A

49.1%

N/A

United Kingdom<sup>g</sup>

N/A

142.2

N/A

73 957

N/A

26.0%

**United States**

221.0

202.4

580 545

537 050

24.7%

26.9%

Theft of motor vehicles

*South Africa*

252.5

245.0

104 143

103 452

13.8%

13.5%

**Argentina**

53.9

641.0

17 791

211 530

84.5%

90.8%

Australia

728.2

670.0

131 476

122 931

N/A

N/A

Botswana

59.1

111.9

919

1 799

N/A

N/A

Canada

551.6

596.0

163 293

178 580

13.4%

12.3%

**Chile**

14.6

16.0

1 944

2 315

65.2%

65.5%

**Colombia**

69.9

72.1

24 519

28 478

N/A

N/A

**France**

605.8

595.7

351 509

345 625

9.6%

9.6%

Germany

247.1

208.9

201 493

170 941

21.7%

23.7%

**Israel**

590.0

682.7

33 144

37 396

7.7%

7.8%

Japan

28.5

26.8



35 730

33 722

58.3%

57.1%

**Russian Federation**

51.2

N/A

75 782

N/A

21.9%

N/A

**United Kingdom<sup>g</sup>**

N/A

933.7

N/A

485 508

N/A

19.0%

**United States**

560.5

525.9

1 472 732

1 395 192

14.1%

14.0%

*Source:* International Criminal Police Organization

a

Not all crimes have been included

b

Cases solved are not necessarily cases which were reported to the police during that year. The figures for South Africa refer to police clearance rates and are not only cases where the crime has been solved. Cases are also 'cleared' when the charges are withdrawn or the case is 'undetected' and closed.

c

Excluding attempted murder.

d

As calculated by the South African Institute of Race Relations.

e

Excluding attempted rape

f

While statistics showing the incidence of rape are included in the crime category of sexual offences, provision is made in the Interpol questionnaire to list these figures separately. Some countries did not list rape figures separately in their submissions

g

Including England and Wales

## Notes on Particular Types of Crime

### *Illegal Arms, Smuggling, Caches, and Theft*

The table below illustrates the increases and decreases in the seizure of illegal firearms and ammunition between 1994 and 1997 (latest date for which such information is available).<sup>24</sup> [<sup>24</sup> Fax correspondence with Superintendent Eric Dewey, national firearm investigation unit, SAPS, 25 January 1999]

#### *Illegal firearms and ammunition seized by the SAPS: 1994–97*

*Type*

1994

1995

Increase (decrease)

1996

Increase (decrease)

1997<sup>a</sup>

Increase (decrease)

AK-47 rifles

1 589

1 392

(12.4%)

1 169

(16.0%)

803

(31.3%)

**Rifles**

Shot guns

691

632

(8.5%)

599

(5.2%)

647

8.0%

Other rifles

1 297

1 512

16.6%

1 476

(2.4%)

1 230

(16.7%)

**Machine pistols**

Stechkin machine pistols

10

4

(60.0%)

2

(50.0%)

2

0.0%

Scorpion machine pistols<sup>b</sup>

16

32

100.0%

3

(90.6%)

4

33.3%

Makarov pistols

164

172

4.9%

221

28.5%

176

(20.4%)

Tokarev pistols

56

58

3.6%

263

353.4%

206

(21.7%)

Other pistols

5 150

6 934

34.6%

8 803

27.0%

6 676

(24.2%)

**Revolvers**

All types

2 364

2 842

20.2%

2 812

(1.1%)

2 272

(19.2%)

**Homemade firearms**

All types (rifles, pistols, and revolvers)

3 123

2 713

(13.1%)

2 806

3.4%

2 954

5.3%

**Total**

14 460

16 291

12.7%

18 154

11.4%

14 970

(17.5%)

**Ammunition (rounds)**

7.62 calibre (all types)

103 424

40 717

(60.6%)

48 299

18.6%

29 723

(38.5%)<sup>c</sup>

**Other**

203 367

108 259

(64.7%)

105 439

(2.6%)

110 355



4.7%

**Total**

306 791<sup>c</sup>

148 976

(51.4%)

153 738<sup>c</sup>

3.2%<sup>c</sup>

140 078

(8.9%)

*Source:* National firearm investigation unit, South African Police Service

a

These figures may be subject to change as the Northern Province submitted figures only up to and including 31st October 1997.

b

The reason for the reduction in the number of Scorpion machine pistols could be related to the fact that in 1995 these firearms were banned for both importation and sale.

c

As calculated by the South African Institu

A total of 29 550 legally owned firearms were reported stolen in the period January 1997 to February 1998. Of these some 2 420 (8%) were recovered.<sup>25</sup> [<sup>25</sup> *Hansard* (NA:Q) 3 col 293, 6 March 1998] In 1997, 1 802 firearms were reported lost or stolen by members of the South African Police Service (SAPS), according to the minister for safety and security, Mr Sydney Mufamadi. Fewer than 10% were recovered.<sup>26</sup> [<sup>26</sup> *The Star* 2 April 1998]

A joint operation conducted in 1998 in Mozambique between the SAPS and the Mozambican police (Operation Rachel IV) resulted in the destruction of more than 100 tonnes of illegal arms and ammunition. The destroyed weapons included 19 types of assault rifle (including AK-47 assault rifles and N4 sub-machine guns), four types of hand gun (including Uzis and M1 hand-carbines), six types of anti-personnel mine, four types of hand grenade, eight types of mortar bomb, and five types of rocket launcher. This was the fourth such operation since Rachel I took place in 1995. (See also 1996/97 Survey, p75 and 1997/98 Survey, pp40–41.)<sup>27</sup> [<sup>27</sup> Ibid 3 November 1998] In the first three months of 1999 there were a further two joint operations between the SAPS and the Mozambican police.<sup>28</sup> [<sup>28</sup> *Rapport* 9 May 1999, *The Citizen* 10 May 1999]

According to Senior Superintendent Faizel Kader of the SAPS, by May 1999 Operation Rachel had resulted in the recovery and destruction of some 900 tonnes of arms and ammunition. Among other things, 12 162 firearms (of which 4 245 were AK-47 assault rifles), 27 550 explosive devices (such as anti-personnel mines and limpet mines), and over 3m rounds of ammunition had been destroyed.<sup>29</sup> [<sup>29</sup> Ibid]

In May 1999 the SAPS uncovered an arms cache in KwaZulu-Natal. The location of the cache was disclosed by Mr Philip Powell, a member of the Inkatha Freedom Party. Mr Powell allegedly made his disclosure to the National Directorate of Public Prosecutions in exchange for qualified indemnity. Approximately 7 tonnes of arms and ammunition were recovered and destroyed, including hand grenades, military explosives, plastic explosives, R-1 and R-5 rifles (which are army and police issued weapons), and ammunition.<sup>30</sup> [<sup>30</sup> *The Citizen*, *The Star* 13 May 1999]

### ***Attacks on Farms and Smallholdings***

In 1998, 775 attacks took place on farms and smallholdings, during which 134 farmers were murdered, according to provisional figures published by the Rural Safety Task Team. The number of farm attacks increased by 123% and the number of murders by 58%, compared with 1997.

Provincial figures, provided only for the first nine months of 1998, showed that the highest proportion of attacks (of which there were 573 during this period) occurred in KwaZulu-Natal and Gauteng—21% each. The fewest attacks were recorded in the Northern Cape, where ten took place.<sup>31</sup> [<sup>31</sup> *The Citizen* 12 February 1999]

### ***Attacks on Police***

See *Murders* under *South African Police Service* below.

### ***Child Abuse***

The table below shows statistics for crimes against children under the age of 18 reported to the SAPS

between 1994 and 1998, and compares the number of cases reported in 1998 with those reported in 1994.<sup>32</sup> [32 Information provided by the child protection unit of the SAPS, May 1999]

***Crimes against children under the age of 18: 1994–98<sup>a</sup>***

*Type of crime*

1994

1995

1996

1997

1998

Change 1994–98

**Abduction**

743

805

1 184

962

1 034

39.2%

**Assault (with intent to inflict grievous bodily harm)**

1 905

2 272

3 841

3 686

4 022

111.1%

**Attempted murder**

213

244

283

255

324

52.1%

**Child care (contraventions of Act 74 of 1983)**

2 694

3 499

3 805

3 633

3 755

39.4%

**Common assault**

3 246

3 768

4 502

4 179

4 267

31.5%

Incest

156

221

253

224

185

18.6%

**Indecent assault**

3 904

4 044

4 168

3 902

3 744

(4.1%)

**Kidnapping**

906

978

946

1 126

1 220

34.7%

**Rape**

7 559

10 037

13 859

14 723

15 732

108.1%

**Sexual offences (contraventions of Act 23 of 1957)**

1 094

1 121

1 160

904

804

(26.5%)

**Sodomy**

491

660

893

841

739

50.5%

Other (such as public indecency)

753

833

944

1 432

1 526

102.7%

**Total**

23 664

28 482

35 838

35 867

37 352

57.8%

*Source:* Child protection unit, South African Police Service

Figures prior to 1996 do not include the former 'independent' and non-independent homelands and also areas in South Africa which do not have child protection units. Figures reported here are for cases dealt with by the child protection unit (CPU) of the SAPS and specialised individuals only. Cases of the murder of children are not dealt with by the CPU. Not all crimes have been included.

There was a 4% increase in crimes against children under the age of 18 in 1998. The number of incidents increased from 35 867 in 1997 to 37 352 in 1998. The daily average of crimes against children increased from 98 a day in 1997 to 102 a day in 1998. Between 1994 and 1998 the number of incidents of crimes against children increased by 58%. In 1994 the daily average was 65.

In 1998 there were 15 732 cases of child rape reported to the child protection unit of the SAPS. The number of incidents was 7% higher than 1997 when 14 723 child rapes were reported. The daily average of child rapes increased from 40 a day in 1997 to 43 a day in 1998. Between 1994 and 1998 the number of child rapes increased by 108%. In 1994 the daily average was 21.<sup>33</sup> [<sup>33</sup> Ibid]

In 1998, 1 752 children under the age of 18 were murdered. The number of incidents was 5% lower than 1997, when 1 847 child murders w

## ***Corruption***

In July 1998 the Heath Special Investigating Unit, which was established in terms of the Special Investigation Units and Special Tribunals Act of 1996, was in the process of investigating some 92 000 cases valued at an estimated R6bn. These cases included corruption in respect of pensions and housing subsidy schemes, and the theft of government cheques. According to the head of the unit, Mr Justice Willem Heath, the unit had already either recovered or 'saved' almost R10bn in state money either by recovery through investigation or through avoiding significant losses.<sup>35</sup> [<sup>35</sup> *The Star* 6 July 1998] (See also chapter on *Government and Constitution*.)

## ***Counterfeiting of Money***

According to Mr Mufamadi, 381 people were arrested for counterfeiting South African bank notes in 1997—a decrease of 72% compared with the 1 355 people arrested in 1996. In 1997 the SAPS confiscated 678 078 counterfeit bank notes with a face value of R103m. This was an increase of some 82% in the number of notes confiscated and a 123% increase in face value.<sup>36</sup> [<sup>36</sup> 1997/98 Survey, p37; *Hansard* (NA:Q) 9 col 1455, 13 May 1998]

## ***Crimes Arising from Informal Justice***

According to the Crime Information Analysis Centre of the SAPS separate statistics pertaining to crimes



arising from informal justice, such as murders and assaults arising from illegal trials and mob action, were not available for the period under review. The police accounted for these crimes under categories such as assault and murder.

### *Witch Killings and Witchcraft-Related Crime*

National figures for the killing of witches and witchcraft-related crime were not available for the period under review. However, 442 witchcraft-related cases in the Northern Province were reported to the SAPS during the first six months of 1998. More than 587 suspected witches were killed in the province between 1990 and 1997.<sup>37</sup> [<sup>37</sup> *The Citizen* 8 September 1998, *Sowetan* 14 September 1998, *The Star* 15 September, 23 October 1998]

While some 3 000 cases of witchcraft-related violence in the Northern Province had been reported to the SAPS since 1990, only 432 people had been charged for either pointing out or attacking suspected witches. Most of those suspected of attacking or pointing out witches were aged between 14 and 30 years, while most of the victims were elderly women.<sup>38</sup> [<sup>38</sup> *Ibid*]

### **Drug Offences**

The table below provides a breakdown of the quantities of a selection of drugs confiscated by the SAPS during the period 1994–98.<sup>39</sup> [<sup>39</sup> Information provided by the Secretariat for Safety and Security, 6 July 1999]

#### *A selection of drugs confiscated by the SAPS: 1994–98<sup>a</sup>*

<i>Drug type</i>
1994
1995
1996
1997
1998
Dagga <sup>b</sup>
268 652kg

238 813kg

203 354kg

171 929kg

197 116kg

Cocaine<sup>c</sup>

70kg

188kg

107kg

151kg

636kg

Hashish

27kg

8kg

1kg

2kg

18kg

Heroin

25kg

6kg

0.8kg

2kg

5kg

LSD

16 701 units

3 107 units

11 804 units

2 730 units

6 426 units

Mandrax<sup>d</sup>

2 568 221

886 846

432 808

1 629 531

1 307 109

Mandrax<sup>e</sup>

61g

31kg

4kg

51kg

160kg

Ecstasy

1 262 units

2 121 units

3 139 units

118 784 units

111 733 units

Speed<sup>f</sup>

0 units

0 units

128 units

283 units

527 units

*Source:* South African Narcotics Bureau, South African Police Service

a

Quantities have been rounded.

b

Excludes dagga destroyed on cultivation sites.

c

Excludes crack cocaine and quantities confiscated in unprocessed form, ie 'rocks'.

d

Tablets.

e

Powder.

f

Speed is one of the variations of the drug group metamphetamine.

There was a 7% drop in the number of cases of drug-related crime in 1998. The number of incidents decreased from 42 805 in 1997 to 39 830 in 1998. Between 1994 and 1998 the number of incidents of drug-related crime dropped by 16%.

A quarter of drug-related crimes reported in 1998 were in the Western Cape, followed by KwaZulu-Natal (22%), and Gauteng (14%). The lowest proportion was recorded in the North

### ***Fraud and White Collar Crime***

During 1998, 59 515 cases of commercial crime, involving some R4.6bn, were reported to the SAPS. This was an increase of 1.4% in the number of cases compared with 1997 when 58 668 cases involving some R3.6bn were reported. (The rand value of commercial crime increased by 27% during this period.) Fraud accounted for 84% of all cases of commercial crime reported in 1998. The remaining 16% included crimes such as forgery and uttering, theft, and contraventions of acts such as the Companies Act of 1973 and the South African Reserve Bank Act of 1989.

The following table shows the number of commercial crime cases and the total values for the period 1995–98:<sup>41</sup> [1997/98 Survey, p36; Crime Information Analysis Centre, SAPS, *The Incidence of Serious Crime: January to December 1998*, April 1999]

#### ***Commercial crime cases and total value: 1995–98***

1995

1996

Increase

1997

Inc1998

Increase

Cases reported

51 117

54 846

7.3%

58 668

7.0%

59 515

1.4%

Total value

R2.8bn

R3.8bn

37.0%<sup>a</sup>

R3.6bn

(5.9%)<sup>a</sup>

R4.6bn

27.7%<sup>a</sup>

*Source:* Crime Information Analysis Centre, South African Police Service

a

Increase/decrease figures have been calculated on the full rand values and not on the figures in the table, which have been rounded off.

The highest proportion of commercial crime cases was reported in Gauteng—43% of cases, involving R2.26bn, followed by the Western Cape (14% of cases with a value of R623m) and Mpumalanga (13% of cases with a value of R616m). The lowest proportion was recorded in the Northern Cape—1% of cases with a value of R65m.<sup>42</sup> [42 Crime Information Analysis Centre, SAPS, *The Incidence of Serious Crime: January to December 1998*, April 1999]

The table below shows the breakdown of commercial crime docket disposal for 1998:<sup>43</sup> [43 Ibid]

***Commercial crime docket disposal: 1998<sup>a</sup>***

*Province*

TotNo.ProNo. disposed of with at least one conviction

ProEastern Cape

4 368

3 646

83.5%

544

12.5%

Free State

3 209

2 818

87.8%

271

8.4%

### Gauteng

24 868

21 682

87.2%

1 369

5.5%

### KwaZulu-Natal

4 877

4 077

83.6%

434

8.9%

### Mpumalanga

1 979

1 616

81.7%

172

8.7%

### North West

3 958

1 561



39.4%

178

4.5%

### Northern Cape

1 086

812

74.8%

169

15.6%

### Northern Province

1 899

1 358

71.5%

190

10.0%

### Western Cape

7 008

5 049

72.0%

747

10.7%

**Total**

53 252

42 619

80.0%

4 074

7.7%

*Source:* Crime Information Analysis Centre, South African Police Service

a

Cases disposed of by the SAPS during the period under review were not necessarily cases reported during the same period. Hence, comparison cannot be drawn between the number of cases reported during 1998 and the number of dockets disposed of by the police during the same period.

Figures showing the effect of fraud on businesses worldwide, published in a survey conducted by Ernst & Young in May 1998, found that 80% of respondents in Africa had been victims of fraud in the last year and 33% had experienced more than five cases of fraud in the previous five years.<sup>44</sup> [<sup>44</sup> *The Citizen* 2 December 1998]

### **Gang-Related Crime**

The Prevention of Organised Crime Act, passed in 1998, made it an offence to participate in, be a member of, or actively recruit members for, criminal gangs. A criminal gang is defined as ‘any formal or informal ongoing organisation, association, or group of three or more persons, which has as one of its activities the commission of one or more criminal offences, which has an identifiable name or identifying sign or symbol, and whose members individually or collectively engage in or have engaged in a pattern of criminal gang activity’. (See also *Prevention of Organised Crime Act of 1998* above.)<sup>45</sup> [<sup>45</sup> Prevention of Organised Crime Act, no 121 of 1998, *Government Gazette* no 19553, 4 December 1998]

Figures published by the SAPS showed that between October 1997 and January 1998, 230 gang-related attacks—during which some 60 people were killed—took place on the Cape Flats (Western Cape). This area was estimated to have 100 000 gang members.<sup>46</sup> [<sup>46</sup> *Business Day* 15 April 1998]

Additional statistics showed that between October 1997 and August 1998 police in the Western Cape recorded 624 incidents of 'urban violence'. These included 377 shooting incidents, 86 pipe-bomb attacks, 33 petrol-bomb attacks, and 128 other incidents including assaults and stabbings. According to the Western Cape provincial head of the SAPS, Commissioner Leon Wessels, the police suspected that 195 of the incidents had been committed by members of People Against Gangsterism and Drugs and 429 by suspected gang members. Commissioner Wessels said that none of those suspected of committing these crimes had been convicted. A number, however, were due to stand trial on charges of arson, attempted murder, and murder (see *Vigilante action* below).<sup>47</sup> [<sup>47</sup> *The Star* 7 October 1998]

### ***Hijacking of Vehicles***

There was a 16% increase in the number of car hijackings reported to the police in 1998. The number of incidents increased from 13 011 in 1997 to 15 111 in 1998. The daily average of car hijackings increased from 36 a day in 1997 to 41 a day in 1998. While the statistics for both car and truck hijackings are listed separately in the SAPS report on the incidence of crime, both are accounted for under robbery with aggravating circumstances.<sup>48</sup> [<sup>48</sup> Crime Information Analysis Centre, SAPS, *The Incidence of Serious Crime: January to December 1998*, April 1999]

About 61% of car hijackings in 1998 took place in Gauteng, followed by KwaZulu-Natal (21%) and the Eastern Cape (5%). The fewest number were reported in the Northern Cape where 18 cars were hijacked.<sup>49</sup> [<sup>49</sup> Ibid]

There were 5 773 truck hijackings reported in 1998—an increase of 34% compared with 1997, when 4 296 cases were reported.<sup>50</sup> [<sup>50</sup> Ibid]

### ***Murder***

There was a 1% increase in the number of murders reported to the SAPS in 1998. The number of incidents increased from 24 588 in 1997 to 24 875 in 1998. The daily average increased from 67 a day in 1997 to 68 a day in 1998. Between 1994 and 1998 the number of murders dropped by 7%. In 1994 the daily average was 74.

A quarter of murders reported in 1998 occurred in KwaZulu-Natal, followed by Gauteng (23%) and the Eastern Cape (15%).<sup>51</sup> [<sup>51</sup> Ibid]

According to a United Nations survey conducted in 1998, the firearm-related murder rate in South Africa was the fourth highest in the world. In 1998 Brazil recorded 41 000 firearm-related murders, followed by Colombia (19 336), and the United States (16 524). The survey showed that an average of 11 000 people die in South Africa as result of firearm-related incidents each year—an average of 30

people a day.<sup>52</sup> [<sup>52</sup> *The Star, Sowetan* 4 February 1999]

## **Rape**

There was a 6% decrease in the number of rapes (including attempts) reported in 1998. The number of incidents decreased from 52 159 in 1997 to 49 280 in 1998. The daily average of rapes dropped from 143 a day in 1997 to 135 a day in 1998. Between 1994 and 1998 the number of incidents of rape increased by 16%. In 1994 the daily average was 116.<sup>53</sup> [<sup>53</sup> Crime Information Analysis Centre, SAPS, *The Incidence of Serious Crime: January to December 1998*, April 1999]

Almost a quarter of rapes in 1998 were reported in Gauteng, followed by the Eastern Cape and the Western Cape (13% each). The lowest proportion was reported in the Northern Cape—3%.<sup>54</sup> [<sup>54</sup> *Ibid*]

In September 1998 the Crime Information Analysis Centre of the SAPS published statistics on a docket analysis of reported cases of rape. The sample was randomly selected from cases reported in Gauteng (excluding the Vaal Triangle) in 1996 and consisted of 538 dockets with 549 victims and 757 suspects. The study found the following:<sup>55</sup> [<sup>55</sup> Crime Information Analysis Centre, SAPS, *The Incidence of Serious Crime: January to June 1998*, September 1998]

- some 74% of the rape cases were reported to the SAPS within 24 hours of the crime taking place, 20% were reported within a week, and the remainder were reported up to one year after the crime occurred;
- most rapes occurred over the weekend, with the highest number occurring on Saturday. Some 40% of the rapes in the sample occurred between 7pm and midnight;
- 30% of the rapes in the sample took place in the residence of the suspect, followed by open spaces such as fields (27%). Some 15% took place in the home of the victim;
- most of the victims in the sample study were Africans, followed by whites, coloured people, and Indians. The study found that women in the age group 19 to 24 were most at risk;
- most of the suspects in the sample study were Africans, followed by coloured people, whites, and Indians. Some 75% of suspects were under the age of 30 and only 2% of offenders in the sample were found to be illiterate;
- some 57% of perpetrators were not known to their victims, a further 23% were acquainted with the victim, and 4% were family members of the victim. The remaining 16% of offenders were, in some other way, fairly closely acquainted with the victim; and
- some 12% of offenders were under the influence of alcohol at the time of the offence and 2% had used

some type of narcotic substance.

## **Robbery**

There was a 27% increase in the number of robberies with aggravating circumstances (including car and truck hijackings) in 1998. The number of incidents increased from 69 691 in 1997 to 88 319 in 1998. The daily average of robbery with aggravating circumstances increased from 190 a day in 1997 to 242 a day in 1998. Between 1994 and 1998 the number of robberies with aggravating circumstances increased by 4%. In 1994 the daily average was 233.

The highest proportion of incidents of robbery with aggravating circumstances were reported in Gauteng (47%), followed by KwaZulu-Natal (22%) and the Western Cape (9%). The lowest proportion was reported in the Northern Cape—0.4%.<sup>56</sup> [<sup>56</sup> Crime Information Analysis Centre, SAPS, *The Incidence of Serious Crime: January to December 1998*, April 1999]

There was an 18% increase in the number of common robberies reported to the SAPS in 1998. The number of incidents increased from 52 678 in 1997 to 62 111 in 1998. The daily average of common robbery increased from 144 a day in 1997 to 170 a day in 1998. Between 1994 and 1998 the number of reported common robberies increased by 92%. In 1994 the daily average was 89.

The number of housebreakings (business and residential premises) increased by 7% in 1998. The number of incidents increased from 337 985 in 1997 to 360 919 in 1998. The daily average of housebreakings increased from 926 a day in 1997 to 989 a day in 1998. Between 1994 and 1998 the number of housebreakings increased by 14%. In 1994 the daily average was 869.<sup>57</sup> [<sup>57</sup> Ibid]

According to figures published by the Banking Council of South Africa, there were 382 incidents of cash-in-transit heists and bank robberies (including attempts) in 1998, during which R112m was stolen—a decrease of 18% in both the number of incidents and the amount stolen compared with 1997. About R7m was recovered in 1998, resulting in a net loss of some R104m.<sup>58</sup> [<sup>58</sup> *The Citizen* 7 May 1998]

A breakdown of these figures showed that there were 45 cash-in-transit heists, during which R52.8m was stolen. Some R3.9m was recovered, resulting in a net loss of R48.8m. Attempted cash-in-transit heists numbered 34. There were a total of 303 robberies (including attempts) of banks and automatic teller machines.<sup>59</sup> [<sup>59</sup> Ibid]

## **Syndicate-Related Crime**

There were 192 syndicates operating in South Africa, with a combined figure of 1 903 primary suspects. Most of these syndicates specialised in commercial crime, drug-trafficking, vehicle-related crime, or a combination of these crimes. While the activities of most of the syndicates were restricted to sub-Saharan Africa, some 32 were known to operate internationally.<sup>60</sup> [<sup>60</sup> Crime Information Analysis Centre, SAPS,

*The Incidence of Serious Crime: January to March 1997*, 13 June 1997] Some 500 organised crime groups were also identified by the SAPS. These groups were under investigation but their structure and activities had not been fully identified. (See also 1997/98 Survey, p39.)<sup>61</sup> [<sup>61</sup> Ibid] (See *Criminal business* below.)

The following table shows the criminal activities of crime syndicates operating in South Africa on both provincial and national levels in 1997 (the latest date for which such information is available):<sup>62</sup> [<sup>62</sup> Ibid]

***Provincial and national breakdown of the criminal activities of crime syndicates: 1997<sup>a</sup>***

---

Criminal activities <sup>b</sup>	
Province	
No. of syndicates	
Drug-trafficking	
Vehicle-related crime	
Commercial crime/fraud	
DiaEastern Cape	
27	
17	
8	
2	
3	
Free State	
8	

6

5

4

1

## Gauteng

45

29

21

13

2

## KwaZulu-Natal

45

16

20

9

8

## Mpumalanga

12

5

3

2

3

## North West

12

7

2

0

5

## Northern Cape

16

3

2

12

15

## Northern Province

8

3

5

2

1

## Western Cape



19

10

3

2

0

**Total**

192

96

69

46

38

*Source:* Crime Information Analysis Centre, South African Police Service

a

A single syndicate may be involved in more than one category of criminal activity and more than one syndicate may also be involved in a single category of criminal activity.

b

Not all categories of criminal activity have been included in this analysis. The criminal activities listed are those categories which show the highest number of syndicates involved. Other examples of criminal activities of syndicate operations included firearm-related crime, gang-related crime, housebreaking, murder, prostitution, and theft.

***Violence in the Taxi Industry***

The table below shows the number of people killed and injured in taxi-related violence, as well as the number of incidents reported in the period 1997–98.<sup>63</sup> [63 Information supplied by Inspector Kock, co-ordinator: taxi

violence investigations, SAPS, 22 February 1999]

***Taxi violence: 1997–98***

No. of incidents

No. of persons injured

No. of persons killed

Province

1997

1998<sup>a</sup>

Increase

1997

1998<sup>a</sup>

Increase (decrease)

1997

1998<sup>a</sup>

Increase (decrease)

Eastern Cape

79

104

32%

87

85

(2%)

48

75

56%

Free State

13

32

146%

2

7

250%

1

1

0%

Gauteng

108

195

81%

161

199

24%

109

111

2%

### KwaZulu-Natal

16

78

388%

16

48

200%

14

42

200%

### Mpumalanga

45

56

24%

32

35

9%

17

21

24%

North West

11

23

109%

1

14

1 300%

10

9

(10%)

Northern Cape

2

25

1 150%

1

10

900%

0

0

0%

## Northern Province

21

26

24%

4

17

325%

12

9

(25%)

## Western Cape

44

128

191%

31

99

219%

7

23

229%

**Total**

339

667

97%

335

514

53%

218

291

33%

Source: South African Police Service

a

According to the SAPS, these figures may be subject to minor a

The number of incidents of taxi violence reported in 1998 increased by 97% compared with 1997. The number of persons injured increased by 53% and the number killed by one third.

## **Prosecution and Conviction Rates**

See *Prosecution and conviction rates* under *Justice* below.

## **Provincial Patterns**

Below is a table showing the number of incidents of selected crimes per province reported to the South African Police Service (SAPS) during 1994, 1997, and 1998; the ratio per 100 000 of the population; the increase (decrease) between 1997 and 1998; and the increase (decrease) as compared with 1994.<sup>64</sup> [64 Crime Information Analysis Centre, SAPS, *The Incidence of Serious Crime: January to December 1998*, April 1999; information provided by the Crime Information Analysis Centre, SAPS, 23 February 1999; Crime Information Analysis Centre, SAPS, *The Incidence of Serious Crime: January to December 1998*, April 1999]

***Provincial breakdown of selected crimes: 1994, 1997, and 1998<sup>a</sup>***

Number of reported cases

Ratio per 100 000 of the population

Change in number of cases reported

Change in number of cases reported

1994

1997

1998

1998

1997–98

1994–98

**Assault<sup>b</sup>**

Eastern Cape

39 739

41 376

39 472

617.7



(4.6%)

(0.7%)

Free State

17 347

17 635

17 320

631.6

(1.8%)

(0.2%)

Gauteng

36 249

46 946

46 922

606.5

(0.1%)

29.4%

KwaZulu-Natal

23 726

26 214

27 433

310.6

4.7%

15.6%

Mpumalanga

13 486

15 494

16 342

550.8

5.5%

21.2%

North West

18 055

22 270

21 742

610.4

(2.4%)

20.4%

Northern Cape

11 407

13 069

13 339

1 567.2

2.1%

16.9%

Northern Province

17 056

19 625

20 325

383.0

3.6%

19.2%

Western Cape

33 185

31 925

31 161

750.7

(2.4%)

(6.1%)

**Total**

210 250

234 554

234 056

550.2

(0.2%)

11.3%

Drug-related crime

Eastern Cape

5 298

5 972

5 148

80.6

(13.8%)

(2.8%)

Free State

4 649

3 670

3 211

117.1

(12.5%)

(30.9%)

Gauteng

8 026

5 996

5 540

71.6

(7.6%)

(31.0%)

### KwaZulu-Natal

9 254

8 692

8 752

99.1

0.7%

(5.4%)

### Mpumalanga

2 308

1 943

1 771

59.7

(8.9%)

(23.3%)

## North West

2 551

2 328

2 137

60.0

(8.2%)

(16.2%)

## Northern Cape

1 563

1 549

1 426

167.5

(7.9%)

(8.8%)

## Northern Province

1 575

1 717

1 527

28.8

(11.1%)

(3.0%)

## Western Cape

12 099

10 938

10 318

248.6

(5.7%)

(14.7%)

### **Total**

47 323

42 805

39 830

93.6

(7.0%)

(15.8%)

a

Not all crimes have been included.

b

With intent to inflict grievous bodily harm (exc

***Provincial breakdown of selected crimes:1994, 1997, and 1998<sup>a</sup> (continued)***

Number of reported cases

Ratio per 100 000 of the population

Change in number of cases reported

Change in number of cases reported

1994

1997

1998

1998

1997–98

1994–98

**Housebreaking<sup>b</sup>**

Eastern Cape

33 093

35 632

39 702

–

11.4%

20.0%

Free State

23 055

23 081



23 805

—

3.1%

3.3%

Gauteng

97 241

97 108

96 939

—

(0.2%)

(0.3%)

KwaZulu-Natal

54 455

56 723

61 397

—

8.2%

12.7%

Mpumalanga

19 607

22 185

24 707

—

11.4%

26.0%

North West

19 629

22 452

23 615

—

5.2%

20.3%

Northern Cape

7 446

7 586

8 765

—

15.5%

17.7%

Northern Province

14 188

17 833

19 070

—

6.9%

34.4%

Western Cape

48 365

55 385

62 919

—

13.6%

30.1%

**Total**

317 079

337 985

360 919

—

6.8%

13.8%

Illegal possession of arms and ammunition

## Eastern Cape

845

1 674

1 811

28.3

8.2%

114.3%

## Free State

589

615

593

21.6

(3.6%)

0.7%

## Gauteng

2 547

2 967

3 269

42.3

10.2%

28.3%

## KwaZulu-Natal

4 541

3 867

4 356

49.3

12.6%

(4.1%)

## Mpumalanga

591

649

799

26.9

23.1%

35.2%

## North West

512

722

790

22.2

9.4%

54.3%

## Northern Cape

89

162

164

19.3

1.2%

84.3%

## Northern Province

445

603

628

11.8

4.1%

41.1%

## Western Cape

977

1 618

2 053

49.5

26.9%

110.1%

**Total**

11 136

12 877

14 463

34.0

12.3%

29.9%

**Murder<sup>c</sup>**

Eastern Cape

4 492

4 219

3 769

59.0

(10.7%)

(16.1%)

Free State

1 335

1 285

1 162

42.4

(9.6%)

(13.0%)

Gauteng

6 160

5 645

5 906

76.3

4.6%

(4.1%)

KwaZulu-Natal

8 177

6 200

6 418

72.7

3.5%

(21.5%)

Mpumalanga

1 059

1 240



1 164

39.2

(6.1%)

9.9%

North West

1 308

1 351

1 382

38.8

2.3%

5.7%

Northern Cape

556

538

607

71.3

12.8%

9.2%

Northern Province

1 078

981

933

17.6

(4.9%)

(13.5%)

Western Cape

2 667

3 129

3 534

85.1

12.9%

32.5%

**Total**

26 832

24 588

24 875

58.5

1.2%

(7.3%)

a

Not all crimes have been included.

b

Including residential and business premises.

c

Excluding attempted murder.

– Not available as the ratio per 100 000 of the population for housebreaking is calculated separately fo

***Provincial breakdown of selected crimes: 1994, 1997, and 1998<sup>a</sup> (continued)***

Number of reported cases

Ratio per 100 000 of the population

Change in number of cases reported

Change in number of cases reported

1994

1997

1998

1998

1997–98

1994–98

**Rape<sup>b</sup>**

Eastern Cape

5 499

7 138

6 514

101.9

(8.7%)

18.5%

Free State

3 553

3 864

3 496

127.5

(9.5%)

(1.6%)

Gauteng

10 813

12 717

11 808

152.6

(7.1%)

9.2%

KwaZulu-Natal

7 028

8 638

8 525

96.5

(1.3%)

21.3%

### Mpumalanga

2 472

3 111

3 034

102.3

(2.5%)

22.7%

### North West

3 750

4 823

4 461

125.2

(7.5%)

19.0%

### Northern Cape

1 326

1 517

1 438

169.0

(5.2%)

8.4%

Northern Province

2 617

3 693

3 800

71.6

2.9%

45.2%

Western Cape

5 371

6 658

6 204

149.5

(6.8%)

15.5%

**Total**

42 429

52 159

49 280

115.8

(5.5%)

16.1%

Robbery with aggravating circumstances<sup>c</sup>

Eastern Cape

6 544

5 211

6 447

100.9

23.7%

(1.5%)

Free State

2 968

1 983

2 315

84.4

16.7%

(22.0%)

## Gauteng

38 193

31 305

41 159

532.0

31.5%

7.8%

## KwaZulu-Natal

17 233

16 049

19 724

223.3

22.9%

14.5%

## Mpumalanga

3 895

3 613

3 968

133.7



9.8%

1.9%

North West

4 803

3 410

4 184

117.5

22.7%

(12.9%)

Northern Cape

668

371

383

45.0

3.2%

(42.7%)

Northern Province

3 985

2 428

2 657

50.1

9.4%

(33.3%)

Western Cape

6 611

5 321

7 482

180.2

40.6%

13.2%

**Total**

84 900

69 691

88 319

207.6

26.7%

4.0%

Theft of motor vehicles<sup>d</sup>

Eastern Cape

6 003

5 502

6 039

94.5

9.8%

0.6%

Free State

3 881

3 411

3 516

128.2

3.1%

(9.4%)

Gauteng

56 327

54 086

55 031

711.3

1.7%

(2.3%)

KwaZulu-Natal

18 080

17 210

19 151

216.8

11.3%

5.9%

**Mpumalanga**

3 868

4 339

4 662

157.1

7.4%

20.5%

**North West**

4 314

4 065

4 075

114.4

0.2%

(5.5%)

**Northern Cape**

439

459

523

61.4

13.9%

19.1%

Northern Province

2 021

2 179

2 678

50.5

22.9%

32.5%

Western Cape

9 369

9 386

11 838

285.2

26.1%

26.4%

**Total**

104 302

100 637

107 513

252.7

6.8%

3.1%

a

Not all crimes have been included.

b

Including attempts.

c

Excluding commo

***Provincial breakdown of selected crimes:1994, 1997, and 1998<sup>a</sup> (continued)***

Number of reported cases

Ratio per 100 000 of the population

Change in number of cases reported

Change in number of cases reported

1994

1997

1998

1998

1997-98

1994-98

**Theft out of or from motor vehicles**

Eastern Cape

15 091

15 656

16 958

265.4

8.3%

12.4%

Free State

9 768

8 392

9 217

336.1

9.8%

(5.6%)

Gauteng

71 987

56 428

52 259

675.5

(7.4%)

(27.4%)

## KwaZulu-Natal

30 527

30 628

33 369

377.8

8.9%

9.3%

## Mpumalanga

9 223

8 712

9 769

329.3

12.1%

5.9%

## North West

4 790



8 617

8 652

242.9

0.4%

80.6%

Northern Cape

3 479

3 205

3 600

423.0

12.3%

3.5%

Northern Province

4 450

5 972

6 445

121.4

7.9%

44.8%

Western Cape

33 309

38 644

48 169

1 160.4

24.6%

44.6%

**Total**

182 624

176 254

188 438

443.0

6.9%

3.2%

Theft not accounted for under other categories

Eastern Cape

45 835

42 341

45 773

716.3

8.1%

(0.1%)

## Free State

31 238

29 392

30 171

1100.3

2.7%

(3.4%)

## Gauteng

108 189

112 918

121 989

1576.7

8.0%

12.8%

## KwaZulu-Natal

58 472

57 656

67 127

759.9

16.4%

14.8%

## Mpumalanga

24 739

25 560

28 470

959.6

11.4%

15.1%

## North West

26 975

27 526

29 771

835.9

8.2%

10.4%

## Northern Cape

10 585

10 576

11 454

1345.7

8.3%

8.2%

Northern Province

18 414

19 882

22 171

417.8

11.5%

20.4%

Western Cape

57 960

61 985

70 206

1691.2

13.3%

21.1%

**Total**

382 407

387 836

427 132

1004.1

10.1%

11.7%

Stock theft

Eastern Cape

12 392

11 635

10 751

168.2

(7.6%)

(13.2%)

Free State

6 819

6 270

5 814

212.0

(7.3%)

(14.7%)

Gauteng

2 534

1 276

1 018

13.2

(20.2%)

(59.8%)

### KwaZulu-Natal

8 467

9 070

8 893

100.7

(2.0%)

5.0%

### Mpumalanga

4 870

4 547

4 328

145.9

(4.8%)

(11.1%)

### North West

3 806

4 230

3 946

110.8

(6.7%)

3.7%

### Northern Cape

2 441

2 130

2 117

248.7

(0.6%)

(13.3%)

### Northern Province

1 790

1 926

1 611

30.4

(16.4%)

(10.0%)

### Western Cape

2 018



1 824

2 012

48.5

10.3%

(0.3%)

**Total**

45 137

42 908

40 490

95.2

(5.6%)

(10.3%)

*Source:* Crime Information Analysis Centre, South African Police Service

a

Below is a table showing the provincial breakdown of car and truck hijacking, robbery of banks, and robbery of cash-in-transit reported to the SAPS between 1996 and 1998; the ratio per 100 000 of the population; the increase/ decrease between 1997 and 1998; and the increase(decrease) as compared with 1996 (the earliest date for which such information is available).<sup>65</sup> [<sup>65</sup> Ibid]

***Provincial breakdown of selected crimes: 1996–98<sup>a</sup>***

Number of reported cases

Ratio per 100 000 of the population

Change in number of cases reported

Change in number of cases reported

1996

1997

1998

1998

1997–98

1996–98

**Hijacking of cars**

Eastern Cape

648

607

744

11.6

22.6%

14.8%

Free State

173

147

160

5.8

8.8%

(7.5%)

Gauteng

7 612

7 906

9 213

119.1

16.5%

21.0%

KwaZulu-Natal

2 721

2 709

3 143

35.6

16.0%

15.5%

Mpumalanga

683

638

678

22.9

6.3%

(0.7%)

North West

536

479

566

15.9

18.2%

5.6%

Northern Cape

14

11

18

2.1

63.6%

28.6%

Northern Province

185

192

190

3.6

(1.0%)

2.7%

Western Cape

288

322

399

9.6

23.9%

38.5%

**Total**

12 860

13 011

15 111

35.5

16.1%

17.5%

Hijacking of trucks

Eastern Cape

189

180

163

2.6

(9.4%)

(13.8%)

Free State

121

100

124

4.5

24.0%

2.5%

Gauteng

2 287

2 699

3 678

47.5

36.3%

60.8%

KwaZulu-Natal

605

884

1 168

13.2

32.1%

93.1%

Mpumalanga

282

236

300

10.1

27.1%

6.4%

North West

88

88

137

3.8

55.7%

55.7%

## Northern Cape

6

4

6

0.7

50.0%

0.0%

## Northern Province

64

62

136

2.6

119.4%

112.5%

## Western Cape

52

43

61

1.5

41.9%

17.3%



**Total**

3 694

4 296

5 773

13.6

34.4%

56.3%

**Robbery of banks**

**Eastern Cape**

53

28

39

0.6

39.3%

(26.4%)

**Free State**

40

34

15

0.5

(55.9%)

(62.5%)

Gauteng

236

199

178

2.3

(10.6%)

(24.6%)

KwaZulu-Natal

137

66

62

0.7

(6.1%)

(54.7%)

Mpumalanga

37

28

46

1.6

64.3%

24.3%

North West

55

85

79

2.2

(7.1%)

43.6%

Northern Cape

7

6

3

0.4

(50.0%)

(57.1%)

Northern Province

44

20

19

0.4

(5.0%)

(56.8%)

Western Cape

33

31

35

0.8

12.9%

6.1%

**Tota**

***Provincial breakdown of selected crimes:1996–98<sup>a</sup> (continued)***

Number of reported cases

Ratio per 100 000 of the population

Change in number of cases reported

Change in number of cases reported

1996

1997

1998

1998

1997-98

1996-98

**Robbery of cash-in-transit**

Eastern Cape

57

25

32

0.5

28.0%

(43.9%)

Free State

5

9

10

0.4

11.1%

100.0%

Gauteng

86

51

53

0.7

3.9%

(38.4%)

### KwaZulu-Natal

45

52

65

0.7

25.0%

44.4%

### Mpumalanga

34

10

6

0.2

(40.0%)

(82.4%)

### North West

34

41

10

0.3

(75.6%)

(70.6%)

### Northern Cape

1

0

1

0.1

100.0%

0.0%

### Northern Province

127

22

22

0.4

0.0%

(82.7%)

### Western Cape

21

20

15

0.4

(25.0%)

(28.6%)

**Total**

410

230

214

0.5

(7.0%)

(47.8%)

*Source:* Crime Information Analysis Centre, South African Police Service

a

The statistics for car and truck hijacking, robbery of banks, and robbery of cash-in-transit are all accounted for under the category of robbery with aggravating circumstances. These figures have been given in a separate table because information is not availab

## **Political Violence**

### **Statistics**

The following table shows quarterly figures of political fatalities from September 1984 to December 1998:<sup>66</sup> [<sup>66</sup> Figures compiled by the South African Institute of Race Relations]

#### ***Political fatalities in South Africa: 1984–98***



September–December 1984: 149

*Year*

Jan–Mar

April–June

July–Sept

Oct–Dec

***Total***

1985

115

157

328

279

**879**

1986

396

578

238

86

**1 298**

1987

102

109

147

303

**661**

1988

380

182

314

273

**1 149**

1989

310

226

335

532

**1 403**

1990

951

641

1 362

745

**3 699**

1991

667

738

630

671

**2 706**

1992

725

854

978

790

**3 347**

1993

426

860

1 423

1 085

**3 794**

1994

1 035

762

351

328

**2 476**

1995

297

320

222

205

**1 044**

1996

145

165

208

165

**683**

1997

106

101

159

104

**470**

1998

57

90

131

78

**356**

Cumulative total: September 1984 – December 1998

24 114

*Source:* South African Institute of

The graph below plots the annual political fatality figures from 1985 to 1998.

Between January and August 1999 political violence resulted in 231 deaths. Between September 1984 and August 1999 political fatalities totalled 24 345.

The number of fatalities as a result of political violence in KwaZulu-Natal between 1993 and 1998 is shown in the table below.<sup>67</sup> [<sup>67</sup> Ibid]

***Political fatalities in KwaZulu-Natal: 1993-98***

*Month*

1993

1994

1995

1996

1997

1998

January

81

105

100

17

31

9

February

95

160

44

24

7

4

March

80

253

51

47

8

9

April

97

305

87

56

21

24

May

118

125

63

31

10

15

June

151

77

59

35

23

30

July

172

83

48

35

23

56

August

104

73

40

16

19

32



## September

136

70

43

18

23

18

## October

137

67

30

23

27

19

## November

183

48

41

21

23

17

December

135

98

78

24

11

17

**Total**

1 489

1 464

684

347

226

250

Cumulative total: January 1993–Decembe

The following chart shows the political fatalities in KwaZulu-Natal month by month in the period 1993–98:

## **Initiatives to Prevent and Combat Crime and Violence**

### **Budget Allocations**

The budget allocation to protection services (ie correctional services, defence, justice, and the police) increased nominally by 4% from R34.3bn in 1998/99 to R35.5bn in 1999/2000. This allocation

accounted for 16% of the total budget and represented 5% of gross domestic product (GDP). In terms of the medium-term expenditure framework, spending on protection services would increase to R37.2bn in 2000/01 and to R38.9bn in 2001/02 (but would remain at 16% of the total budget and 5% of GDP in both years).<sup>68</sup> [68 Information provided by the Department of Finance, 17 February 1999]

## **Government Initiatives**

### ***National Crime Prevention Strategy***

During the period under review the government continued with the implementation of projects introduced under the National Crime Prevention Strategy (NCPS), launched in May 1996 to improve the functioning and co-ordination of government departments in the fight against crime (see 1997/98 Survey, pp54–55). Some of the projects introduced under the auspices of the NCPS were:<sup>69</sup> [69 1997/98 Survey pp54–55; Department of Finance, *National Expenditure Survey 1999*]

- programmes aimed at reforming the criminal justice system. These included the upgrading of court infrastructure, the training of court officials, and the improvement of court management;
- border control programmes, which aimed to reduce the number of international airports and road entry points; and
- the development of a national identification service which would include automated fingerprint recognition and an information system which would contain criminal histories.

### **Kwazulu-Natal Initiatives**

Politically motivated acts of violence continued in KwaZulu-Natal during the period under review. Incidents of violence involving members of the United Democratic Movement were also reported.

In May 1999 the African National Congress and the Inkatha Freedom Party signed a code of conduct in an effort to eliminate intimidation and to forestall a resurgence of political violence in the run-up to the June 1999 elections.<sup>70</sup> [70 *Business Day* 24 May 1999]

## **Other Initiatives**

### ***Private Security Firms***

Figures provided by the Security Officers' Board (SOB) showed that the number of private security companies had more than doubled between 1994 and 1998—from 2 600 in 1994 to 5 586 in 1998. A detailed breakdown of employment in the private security industry in 1998 showed that there were 128 000 active private security officers in the guarding industry in South Africa. There were also 188 000

inactive security officers (these are security officers who are registered but not employed). In addition to those employed in the guarding sector of the private security industry there were some 200 000 in-house security guards, 50 000 in the alarm systems sector, 40 000 in general services, and 20 000 in response services. The ratio of personnel in the private security industry (all categories) to uniformed police officials was 4:1. The ratio of private security guards (in-house and contract) to uniformed police officials was 3:1.<sup>71</sup> [71 Martin Schönleich, *Unshackling the Crime Fighters*, (Spotlight Series, January 1999)]

The private security industry had access to about 80 000 vehicles, of which some 35 000 were available to the guarding industry and just under 25 000 available to the alarm and response sectors. In contrast, however, the South African Police Service (SAPS) has a total fleet of approximately 37 000. On any given day some 3 000 of these vehicles are not available for use due to breakdowns.<sup>72</sup> [72 Ibid]

The turnover of the private security industry in South Africa in 1998 was estimated to be R8.8bn. This figure excluded both the vehicle security industry and the in-house security industry, with estimated turnovers of R2bn and R1bn respectively. The combined annual turnover of the private security industry was in excess of R11bn in 1998, with the guarding industry accounting for some R3.6bn of that.<sup>73</sup> [73 Ibid]

There has also been an increase in the number of training centres accredited with the SOB. In 1993 (a year after the SOB became operational) there were 17 accredited training centres. This figure increased to 160 in 1995 and to 492 in 1998.

### ***Vigilante Actions***

The Western Cape antidrug group People Against Gangsterism and Drugs (Pagad), which had gained prominence in August 1996 (see 1996/97 Survey, pp85–86), continued its activities during the period under review. Although confirmed figures for the number of incidents involving Pagad were not available, statistics provided by the SAPS showed that between January and December 1998 a total of 188 bomb blasts had taken place which police intelligence suspected were connected to Pagad. No convictions were secured during the year.<sup>74</sup> [74 *Business Day* 5 January 1999]

A special unit of the SAPS was established in 1996 to investigate the activities of Pagad. Since its formation the unit had opened in excess of 315 cases, arrested almost 160 people, and secured one conviction (on a charge of possession of a stolen firearm). (See *Gang-related crime* above.)<sup>75</sup> [75 *Mail and Guardian* 27 March 1998]

## **SOUTH AFRICAN POLICE SERVICE**

### **Finance**

The budget allocation to the South African Police Service (SAPS) increased nominally by 6% from R14.4bn in 1998/99 to R15.3bn in 1999/2000. This allocation represented 7% of the total budget and 2% of gross domestic product (GDP). In terms of the medium-term expenditure framework, spending on police would increase to R15.9bn in 2000/01 and to R16.6bn in 2001/02 (remaining at 7% of the total budget and 2% of GDP in both years).<sup>76</sup> [<sup>76</sup> Information provided by the Department of Finance, 17 February 1999]

## Personnel

The table below shows the number of police officials (including civilian personnel), police stations, and community policing forums in January 1999.<sup>77</sup> [<sup>77</sup> Information provided by Senior Superintendent Johan Schnetler, research: national management services, SAPS, 29 January 1999]

### *SAPS personnel, police stations, and community policing forums: January 1999*

Total number of employees<sup>a</sup>

Police officials<sup>b</sup>

Civilian personnel

Citizens per police official<sup>c</sup>

Police stations

Community policing forums

Eastern Cape

16 782

14 861

1 921

430

195

197

Free State

10 330

8 971

1 359

712

106

97

Gauteng

29 350

25 050

4 300

255

120

128

KwaZulu-Natal

20 816

18 224

2 592

351

183

159

## Mpumalanga

6 541

5 542

999

1 153

90

84

## North West

9 696

8 554

1 142

747

92

88

## Northern Cape

3 508

2 853

655

2 240

83

73

Northern Province

9 136

8 110

1 026

788

90

87

Western Cape

12 203

10 391

1 812

615

146

158

National head office

10 528

6 548

3 980

—



—

—

**Total**

128 890

109 104

19 786

390

1 105

1 071

*Source:* South African Police Service

a

Includes civilian personnel (15.3%).

b

Excludes civilian personnel.

c

Excludes 19 786 civilian personnel listed as part of the total number of SAPS officials. Population figures used to calculate these ratios are based on 1996 census figures extrapolated according to provincial growth.

There was a decline in the number of police officials available to work on case completion as more officers were being used in crime prevention programmes, according to the *National Expenditure Survey 1999*. The proportion of successfully completed murder and rape dockets was approximately 50% in 1998, dropping to 45% for case

**Affirmative Action**

According to the national commissioner of the SAPS, Commissioner George Fivaz, police management aimed to increase the number of Africans in management positions to adequately reflect the demographic composition of South Africa.<sup>79</sup> [<sup>79</sup> *Sowetan* 2 March 1998]

Figures published by the Black Officers' Forum showed that:<sup>80</sup> [<sup>80</sup> *The Star* 6 July 1998]

- of the 300 directors in the SAPS, 233 were white and 225 were men;
- of the 956 senior superintendents, 712 were white and 80 were women; and
- of the 2 656 superintendents, 2 014 were white and 309 were women.

In 1998 two of the nine provincial commissioners of the SAPS were African and one was Indian.<sup>81</sup> [<sup>81</sup> *Sowetan* 2 March 1998]

## Recruitment

The SAPS took on some 1 200 recruits in 1998.<sup>82</sup> [<sup>82</sup> *Hansard* (NCOP:Q) 3 cols 295–296, 12 May 1998]

## Training

In September 1998 it was announced that the SAPS detective training academy had introduced a training programme designed to improve methods of investigating gang-related violence, murder (including serial killings), robbery, taxi violence, the proliferation of illegal firearms, and vehicle hijacking. The course was introduced in response to criticism which had been levelled at the SAPS in respect of the high numbers of untrained and unskilled staff which it employed.<sup>83</sup> [<sup>83</sup> *The Citizen*, *Sowetan* 9 September 1998]

At the end of 1996 only 20% of detectives in the SAPS had received basic training, according to the minister for safety and security, Mr Sydney Mufamadi. However, this figure had increased to 66% by the end of 1997.<sup>84</sup> [<sup>84</sup> *Sunday Tribune* 22 February 1998]

In July 1998 Mr Mufamadi said that 454 members of the detective branch of the SAPS had attended training courses at the police detective academy. Courses included communication skills, conflict resolution, the investigation and combating of organised crime and money laundering, and courses dealing with the proceeds of crime. Of the total number of detectives who had received training, more than half were white, followed by Africans (38%), and Indians and coloured people (2% each).<sup>85</sup> [<sup>85</sup> *Hansard* (NA:Q) 15 cols 2235–2236, 22 July 1998]

## Qualifications

About one third of people employed by the SAPS in 1998 had either a grade 10 (standard eight) qualification or lower. More than half of SAPS employees had senior certificates (both with and without university exemption), and less than 10% had tertiary qualifications. Less than 1% of employees had postgraduate qualifications.<sup>86</sup> [<sup>86</sup> *Hansard* (NA:Q) 14 cols 2024–2025, 22 June 1998]

Some 46 000 police officials did not have driver's licences in 1997. Between 1995 and 1997, the SAPS provided driver training to only 1 740 police officials.<sup>87</sup> [<sup>87</sup> Martin Schnteich, *Unshackling the Crime Fighters*, 1999]

## **Dismissals, Resignations, and Retirements**

A total of 4 329 police officials and 872 civilians left the employ of the SAPS between January and December 1998—a daily average of 12 uniformed officials and two civilians. Of the police officials leaving the force, 19% left for medical reasons, 17% died, 8% were dismissed, 5% resigned, 3% retired, 1% were dishonourably discharged, and 0.8% deserted. Other reasons for leaving the force included incompetence, the termination of contracts, and members buying themselves out of contracts of service. More than 50% of the civilians who left the SAPS in 1998 resigned.<sup>88</sup> [<sup>88</sup> Information provided by Senior Superintendent Johan Schnetler, research: national management services, SAPS, 29 January 1999]

## **Voluntary Severance Packages**

During 1998, 701 police officials were granted voluntary severance packages. Voluntary severance packages were granted to 31 civilian employees in the same year.<sup>89</sup> [<sup>89</sup> *Ibid*]

## **Mandays Lost**

In 1998 some 1.1m mandays were lost because of sick leave taken by members of the SAPS, compared with 1.2m in 1997. The cost of mandays lost in respect of sick leave in 1997 and 1998 amounted to some R515m. Suspension of officials resulted in the loss of 361 889 mandays in 1997—an average of 197 days per member under suspension.<sup>90</sup> [<sup>90</sup> *Business Day* 11 February 1999; *Hansard* (NCOP:Q) 4 col 402, 11 June 1998]

## **Suicides and Stress-Related Problems**

National figures for police officials who committed suicide in 1998 were not available. It is the policy of the National Suicide Prevention Committee of the SAPS not to publish these figures.<sup>91</sup> [<sup>91</sup> Fax correspondence with Mrs C Swanepoel, national project manager: SAPS Suicide Prevention Project, 22 February 1999]

Figures published at a conference held by Technikon SA in March 1998 showed that 269 members of the SAPS committed suicide in 1996 and 1997. High levels of stress resulted from excessive workloads,

critical shortages of manpower and resources, and poor salaries. These were among the reasons cited for high suicide levels. These factors also contributed to increasing absenteeism levels (with an average of 10 000 police officials absent from work each day in 1997) and resignations (averaging some 450 per month in the same year).<sup>92</sup> [<sup>92</sup> *The Citizen* 2 March, 5 March 1998]

## Murders

The following table shows the number of police officials murdered (both on and off duty) from 1983 to 1998:<sup>93</sup> [<sup>93</sup> 1997/98 Survey, p61; figures for 1998 provided by Senior Superintendent Johan Schnetler, research: national management services, SAPS, 29 January 1999]

### *Members of the police force murdered: 1983/84–98*

*Year*

Number

Increase (decrease)<sup>d</sup>

1983/84<sup>a</sup>

48

N/A

**1984/85<sup>a</sup>**

39

(19%)

1985/86<sup>a</sup>

68

74%

**1986<sup>b</sup>**

29

(57%)

1987<sup>c</sup>

67

131%

**1988<sup>c</sup>**

80

19%

1989<sup>c</sup>

71

(11%)

**1990<sup>c</sup>**

107

51%

1991<sup>c</sup>

137

28%

**1992<sup>c</sup>**

226

65%

1993<sup>c</sup>

280

24%

**1994<sup>c</sup>**

255

(9%)

1995<sup>c</sup>

237

(7%)

**1996<sup>c</sup>**

211

(11%)

1997<sup>c</sup>

232

10%

**1998<sup>c</sup>**

224

(3%)

Total

2 311

—

*Source:* South African Police Service

a

1st July–30th June.

b

1st July–31st December.

c

From 1987 onwards the period of reporting is a calendar year.

d

Not strictly comparable.

The chart below plots the trend in the murders of police officials (both on and off duty) in the period 1983/84–98.

Of the 224 police officials who were murdered in 1998, some 61% were killed while off duty and 39% were murdered while on duty.<sup>94</sup> [<sup>94</sup> Ibid]

According to the Institute for Security Studies, 86% of the members of the SAPS killed while on duty died as a result of shootings, many of which took place during routine police actions. Many of these incidents took the form of execution style shootings (in either the back or the side of the head), multiple gunshot wounds, and gunshot wounds in the back, all of which suggested that attacks on police officials were intended to kill the victim.<sup>95</sup> [<sup>95</sup> *The Star* 28 January 1999]

## **International Comparisons**

### ***Murders***

International comparisons showed that South Africa had an extremely high incidence of murder of police officials. In 1995 one police official was killed in the United Kingdom (UK), compared with 237 policemen in South Africa. There were no murders of policemen in the UK in 1996, while the South African figure was 211. Australia and New Zealand had, on average, five murders of police officials per year compared with the South African average of 226 per year (calculated on average figures for 1995–98). (See also *Murders* above.)<sup>96</sup> [<sup>96</sup> Ibid]

## Police Conduct

The Independent Complaints Directorate (ICD) received 3 891 complaints and inquiries against members of the South African Police Service (SAPS) between April 1997 and December 1998. Almost a third of the cases involved deaths either of persons in police custody or as a result of police action. (See *Deaths in police custody or as a result of police action* below.) The remainder involved serious criminal offences, the infliction of serious bodily harm, and lesser offences.<sup>97</sup> [<sup>97</sup> *Department of Finance, National Expenditure Survey 1999*]

The ICD investigated 365 of the cases and referred another 1 425 to the SAPS for further investigation. Prosecution was recommended in 147 of the 1 116 cases which had been finalised. A total of 57 prosecutions were undertaken, resulting in convictions in 29 cases. Of the 36 cases where disciplinary steps were recommended, seven resulted in convictions for misconduct.<sup>98</sup> [<sup>98</sup> *Ibid*]

In 1997, 17 526 complaints were made against members of the SAPS—an increase of 50% compared with 1994 (11 651). (Complaints are not only referred to the ICD. Complaints can also be made directly to the SAPS.) The types of crimes for which complaints were received included common assault, assault with intent to inflict grievous bodily harm, corruption, murder, and, rape.<sup>99</sup> [<sup>99</sup> *The Star* 2 April 1998, *Business Day* 25 June 1998]

A total of 9 035 criminal charges were laid against members of the SAPS in 1997. The minister for safety and security, Mr Sydney Mufamadi, said that the conviction of police officials for offences had remained fairly constant between 1995 and 1997—1 263 convictions in 1995, 1 303 in 1996, and 1 201 in 1997. The most common crimes for which officers were convicted included assault; reckless or negligent driving; and offences related to the firing, loss, and theft of firearms. Officials convicted of offences represented less than 1% of the total number of members employed by the SAPS, Mr Mufamadi said.<sup>100</sup> [<sup>100</sup> *Hansard* (NA:Q) 3 cols 265–266, 6 March 1998; *The Star* 2 April 1998, *Business Day* 25 June 1998]

## Deaths in Police Custody or as a Result of Police Action

Figures published by the ICD showed that 204 people died in police custody between January and December 1998. Of these, 52 died as a result of natural causes, 49 committed suicide, 48 died as a result of injuries sustained prior to arrest, 30 died as a result of possible negligence on the part of the police, and 25 died as a result of injuries sustained while in custody.<sup>101</sup> [<sup>101</sup> Fax correspondence with Ms Serapelo Sekati, Independent Complaints Directorate, 21 January 1999]

An additional 555 people died as a result of police action (outside custody) during this period. Deaths in shooting incidents accounted for the highest proportion of deaths during police action. A total of 261 people were shot during the course of arrest, 99 while allegedly committing a crime, and 48 during the course of an investigation. Other intentional shootings accounted for 66 and possible negligence for



another 18. Deaths caused by means other than shooting accounted for 63 of the deaths as a result of police action in 1998.<sup>102</sup> [<sup>102</sup> Ibid]

## Escapes from Police Custody

In 1997, 3 838 people escaped from police custody. This was 7% more than in 1996. Some 39% of escapees in 1997 were re-arrested.<sup>103</sup> [<sup>103</sup> Information provided by Senior Superintendent Johan Schnetler, research: national management services, SAPS, 29 January 1999]

Departmental proceedings were instituted against 888 police officials in connection with escapes from police custody in 1997—an increase of more than a quarter compared with 1996. An additional 171 police officials faced criminal prosecution in connection with escapes from police custody in that year, as compared with 91 members in 1996.

In 1997, 46 police officials were suspended in connection with escapes—an increase of 253% over 1996.<sup>104</sup> [<sup>104</sup> Ibid]

## Confidence in the Police

The national *Victims of Crime Survey* measured levels of satisfaction with the police when reporting a crime, the perceptions of respondents with regard to neighbourhood policing, and the efficacy of the police since the 1994 election. (For definitions of the crimes contained in the survey see *Crime victims and the reporting of crime* above.)<sup>105</sup> [<sup>105</sup> Statistics South Africa, *Victims of Crime Survey*, December 1998]

The survey found the following:<sup>106</sup> [<sup>106</sup> Ibid]

- *household crimes (violent and non-violent)*—more than half of respondents reporting vehicle theft were satisfied with the manner in which the case was dealt with by the police. This proportion dropped to 47% for those who reported the hijacking or attempted hijacking of a vehicle. Respondents reporting murder and housebreaking were the least satisfied; and
- *individual crimes (violent and non-violent)*—some 64% of respondents reporting sexual offences were satisfied. This high level of satisfaction could be attributed to special measures introduced by the South African Police Service (SAPS) for dealing with crimes of this nature, according to the survey. Respondents reporting cases of assault were the least satisfied (26%).

Respondents gave four main reasons for dissatisfaction with the police—insufficient action on the part of the police to solve the crime, apparent lack of interest, no arrest or apprehension of the offender, and non-recovery of the stolen property.

The survey also found that:<sup>107</sup> [<sup>107</sup> Ibid]

- of all respondents (whether or not they had experienced a crime during the period under assessment), about 40% were dissatisfied, 38% were satisfied, and 23% were neither satisfied nor dissatisfied with policing in their neighbourhoods;
- more than half of respondents living in the Free State, the Northern Cape, and the Western Cape expressed satisfaction with neighbourhood policing. One quarter of respondents in Gauteng expressed satisfaction with police efforts to control crime in their neighbourhoods; and
- higher levels of dissatisfaction were recorded among those in the highest-income group (R96 000 or more per year) than among those in other income groups.

Just over a quarter of respondents (whether or not they had experienced a crime in the period under review) believed that the police had become more effective since the 1994 election. Some 32% of respondents felt that the police had neither improved nor deteriorated, and 42% said that police efficacy had declined in that period.<sup>108</sup> [<sup>108</sup> Ibid]

The results of another survey on levels of satisfaction with the police since 1994, conducted by AC Nielsen MRA, were published in January 1999. The survey used a sample of 2 494 respondents and was representative of the urban adult population (including all population groups and income categories) only.<sup>109</sup> [<sup>109</sup> *Business Day* 2 February 1999] It found that:<sup>110</sup> [<sup>110</sup> Ibid]

- five out of ten respondents felt that the police had failed in fighting crime. More than 80% of white respondents felt that the police had failed in respect of crime fighting, compared with two thirds of coloured respondents, three quarters of Indian respondents, and one third of African respondents;
- respondents in the lower-income categories were less critical of police efforts to combat crime than those in higher-income groups;
- more than 60% of white and Indian respondents said that efforts to improve police attitudes had been unsuccessful;
- respondents in all population groups and socio-economic groupings shared the view that police patrols in communities had declined; and
- just under half of respondents expressed the view that police efforts to reduce corruption within the police force had been 'rather' or 'very' unsuccessful. Seven out of ten white and coloured respondents held this view compared with 44% of African respondents, who said that efforts to 'clean up' the police had been 'fairly' or 'very' successful.

## LOCAL POLICE FORCES

### Legislation

The South African Police Service Amendment Act, which provided for the establishment, functions, and control of municipal police services, was passed in 1998 (see *Legislation* above).<sup>111</sup> [<sup>111</sup> South African Police Service Amendment Act, no 83 of 1998, *Government Gazette* no 19407, 28 October 1998]

At the time of writing the legislation had not been promulgated and no new municipal police forces had been established.

## JUSTICE

### Legislation

All new legislation on justice is discussed in the legislation section at the beginning of this chapter (see *Legislation* above).

### Finance

The allocation to justice increased nominally by 8% from R2.6bn in 1998/99 to R2.8bn in 1999/2000. This allocation represented 1.3% of the total budget and 0.4% of gross domestic product (GDP). In terms of the medium-term expenditure framework, spending on justice would increase to R2.9bn in 2000/01 and R3.2bn in 2001/02 (remaining at 1.3% of the total budget and 0.4% of GDP in both years).<sup>112</sup> [<sup>112</sup> Information provided by the Department of Finance, 17 February 1999]

### Personnel

In line with a cabinet decision taken in November 1997 to create additional posts within the Department of Justice, the following new posts were established effective from 1st April 1998:<sup>113</sup> [<sup>113</sup> *Hansard* (NA:Q) 6 cols 872–873, 16 April 1998]

- 14 posts for magistrates;
- 42 posts for regional magistrates;
- 193 posts for state prosecutors;
- 14 posts for deputy attorneys general;

- 25 posts for senior state advocates;
- two posts for state advocates; and
- 42 posts for court interpreters.

Between 21st March 1995 and 10th July 1995 there were 20 prosecutors appointed. Sixteen of the appointees were white and four were black (including African, Indian, and coloured people). In the period January to December 1996 a total of 30 prosecutors were appointed by the department—half of whom were white and half black. Figures for January to December 1997 showed that 62% of the 126 prosecutors appointed were black.<sup>114</sup> [<sup>114</sup> *Hansard* (NA:Q) 13 cols 1918–1919, 10 June 1998]

In addition to these appointments the department launched a project to speed up the training of candidate prosecutors. A total of 98 candidates completed the training and were appointed to permanent posts on 1st June 1998. Some 85% of those appointed were black.<sup>115</sup> [<sup>115</sup> *Ibid*]

By September 1998 some 23% of magistrates were women, 33% were African, and 5% were African women. Only 7% of people holding ranks higher than that of magistrate in the department were women.<sup>116</sup> [<sup>116</sup> Department of Finance, *National Expenditure Survey* 1999]

## Appointments to the Bench

In December 1998 the appointment of 17 black lawyers as acting judges, was announced by the minister of justice, Mr Dullah Omar. Mr Omar said that appointments had been made in all divisions of the High Court with the exception of the Eastern Cape. Prior to these appointments there were 186 judges in South Africa, of whom 77% were white men, 17% were black men, 4% were white women, and 2% were black women.<sup>117</sup> [<sup>117</sup> *Ibid*; *The Star* 23 December 1998]

## National Director of Public Prosecutions

In July 1998 Mr Bulelani Ngcuka was appointed national director of public prosecutions in terms of the National Prosecuting Authority Act of 1998<sup>118</sup> [<sup>118</sup> *Financial Mail* 13 November 1998] (see 1997/98 Survey, p27). The act stipulated that the national director would be responsible for determining national prosecution policy, could intervene in cases where national directives were not complied with, and could review any decision to prosecute taken by the provincial directors of prosecutions (previously attorneys general).<sup>119</sup> [<sup>119</sup> National Prosecuting Authority Act, no 32 of 1998, *Government Gazette* no 19021, 3 July 1998; *Finance Week* 23 July 1998]

## Dismissals, Resignations, and Retirements

In 1997 a total of 112 prosecutors and 37 magistrates resigned from the department. More than 70% of those who resigned did so because they had been offered positions with better remuneration.<sup>120</sup> [<sup>120</sup> *Hansard* (NA:Q) 6 cols 874–875, 16 April 1998]

In November 1998 the attorney general of KwaZulu-Natal, Mr Tim McNally, announced his retirement. The announcement came after an extended dispute between Mr McNally and the government with regard to his alleged refusal to prosecute members of the Inkatha Freedom Party accused of involvement in political violence in the province. Mr McNally denied these allegations on the basis that prosecution in respect of the cases cited would be based on the evidence of witnesses who were not credible, and that the available evidence would not have resulted in a successful prosecution. Mr McNally was offered a position as special director in the National Directorate of Public Prosecutions in Pretoria (Gauteng), which he declined.<sup>121</sup> [<sup>121</sup> *Financial Mail* 13 November 1998, *The Star* 23 November 1998, *Natal Witness* 26 November 1998]

## Prosecution and Conviction Rates

According to the minister for safety and security, Mr Sydney Mufamadi, in 1997 there were 11 352 prosecutions of persons charged with murder. Some 32% of these resulted in conviction. Of the 22 255 prosecutions on charges of rape (including attempts), some 16% resulted in the conviction of the accused. About 36% of prosecutions for burglary (business and residential premises) resulted in convictions. Only 19% of the 1 099 prosecutions for car hijacking in 1997 were successful.<sup>122</sup> [<sup>122</sup> *The Star* 26 May 1998]

In 1995/96 (the latest date for which such information is available) there were a total of 291 774 prosecutions. Of those prosecuted, 218 394 (75%) were convicted, 72 781 (25%) were discharged, 513 (0.2%) died, and 154 (0.1%) were found to be mentally disordered or retarded. Convictions dropped by 16% in 1995/96 compared with 1994/95 (260 887).<sup>123</sup> [<sup>123</sup> Central Statistical Service (CSS), *Crimes: Prosecution and Convictions with Regard to Certain Offences*, CSS report no 00-11-01 (1995/96)]

The table below shows the number of prosecutions and convictions according to the six main classes of crime in 1995/96.<sup>124</sup> [<sup>124</sup> *Ibid*]

### *Prosecutions and convictions: 1995/96*

Prosecutions

Prosecutions as a proportion of total prosecutions<sup>a</sup>

Convictions

## Convictions as a proportion of total convictions<sup>a</sup>

### Convictions as a proportion of prosecutions

#### Government authority and good order<sup>b</sup>

13 536

5%

9 211

4%

68%

#### Communal life<sup>c</sup>

34 898

12%

26 775

12%

77%

#### Personal relations<sup>d</sup>

77 998

27%

54 566

25%

70%

Property<sup>e</sup>

141 476

48%

106 986

49%

76%

Economic affairs<sup>f</sup>

1 211

0.4%

998

0.5%

82%

Social affairs<sup>g</sup>

22 655

8%

19 858

9%

88%

**Total**

291 774

100%

218 394

100%

75%

*Source:* Statistics South Africa

a

Figures may not add up, owing to rounding.

b

Including high treason, the illegal possession of arms and ammunition, public violence, and terrorism

c

Including child abuse, drug possession, indecent assault, and rape.

d

Including assault, crimen injuria, kidnapping, and murder.

e

Including burglary (residential and business premises), fraud, malicious damage to property, and robbery with aggravating circumstances

f

Including illegal trading in gold and precious stones.

g

Including driving under the influence of alcohol or drugs, and reckless or negligent driving.

The chart below shows prosecutions and convic



Some 8% of convictions in 1995/96 were of children between the ages of seven and 18 years. Fourteen percent were of young adults between the ages of 18 and 20 years.

Below is a table showing the number of convictions, according to the six main classes of crime, recorded between 1993/94 and 1995/96 as well as decreases in the conviction rate during that period. (The decline in conviction rates is not necessarily indicative of a decline in the incidence of crime.)<sup>125</sup> [<sup>125</sup> Ibid]

***Convictions: 1993/94–1995/96***

Government authority and good order<sup>a</sup>

Communal life<sup>b</sup>

Personal relations<sup>c</sup>

Property<sup>d</sup>

Economic affairs<sup>e</sup>

Social affairs<sup>f</sup>

***Total***

1993/94

13 747

43 883

77 139

175 056

1 218

25 768

**318 068**

1994/95

10 809

34 236

64 615

156 313

1 146

20 842

**260 887**

(Decrease)

(21.4%)

(22.0%)

(16.2%)

(10.7%)

(5.9%)

(19.1%)

**(18.0%)**

1995/96

9 211

26 775

54 566

106 986

998

19 858

**218 394**

(Decrease)

(14.8%)

(21.8%)

(15.5%)

(31.5%)

(12.9%)

(4.7%)

**(16.3%)**

*Source:* Statistics South Africa

a

Including high treason, illegal possession of arms and ammunition, public violence, and terrorism

b

Including child abuse, drug possession, indecent assault, and rape.

c

Including assault, crimen injuria, kidnapping, and murder.

d

Including burglary (residential and business premises), fraud, malicious damage to property, and robbery with aggravating circumstances.

e

Including illegal trading in gold and precious stones.

f

Including driving under the influence of alcohol or drugs and reckless or negligent driving

The following graph shows the decline in the number of prosecutions resulting in conviction during the period 1993/94

In 1996/97 there were 14% fewer criminal cases entering the judicial system for hearing in the High Courts compared with 1994/95. Statistics for the lower courts showed a 7% drop in the same period.<sup>126</sup> [126 *Department of Finance*, National Expenditure Survey 1999]

The Mulweli Consortium, appointed by the Department of Justice, conducted a four-month survey of the Johannesburg courts and found that:<sup>127</sup> [127 *Ibid*]

- the number of cases entering the judicial system increased by almost 4% each month;
- each case took, on average, 186 days to complete;
- 88% of cases exited the judicial system prior to trial; and
- the conviction rate for all cases reported was 7%.

Only 11% of the 3 058 cases surveyed resulted in a verdict. Some 77% of the cases were remanded and 12% were withdrawn.<sup>128</sup> [128 *Ibid*]

## Prison Population

Altogether 142 410 people were in prisons in South Africa on 31st December 1997—13% more than the 125 750 in December 1996. The daily average of prisoners (sentenced and unsentenced) was 13% higher in 1997 than in 1996.<sup>129</sup> [129 *Department of Correctional Services*, annual report 1997]

Some 82% of prisoners on the last day of 1997 were adult men and 2% adult women. Some 15% were juvenile males and 1% juvenile females.<sup>130</sup> [130 *Ibid*] On 31st March 1998 there were 2 695 children under

the age of 18 in prison.<sup>131</sup> [<sup>131</sup> *Hansard* (NA:Q) 9 col 1474, 14 May 1998]

The number of awaiting-trial prisoners increased by 24% from 33 424 in December 1996 to 41 435 in December 1997.<sup>132</sup> [<sup>132</sup> *Ibid* 3 col 235, 2 March 1998] In March 1998, 75% of awaiting-trial prisoners had been in custody for fewer than three months, 15% for between three and six months, 7% for between six and nine months, and 3% for more than 24 months.<sup>133</sup> [<sup>133</sup> *Ibid* 9 col 1481, 14 May 1998]

Between 1995 and 1997 the number of sentenced prisoners increased by 20%, according to the Institute for Security Studies. The proportion of prisoners serving longer sentences (between five and ten years) rose from 48% in 1995 to 53% in 1997. Prisoners sentenced to terms of fewer than five years dropped from 41% in 1995 to 35% in 1997.<sup>134</sup> [<sup>134</sup> *Business Day* 5 August 1998]

A total of 38 564 prisoners were released on parole in 1997.<sup>135</sup> [<sup>135</sup> *Hansard* (NA:Q) 6 col 793, 26 March 1998] The total community corrections population (ie prisoners on parole and under correctional supervision) on 31st December 1997 was 58 389—8% more than on 31st December 1996. Some 22% of the community corrections population were probationers, 42% were parolees, 8% were probation absconders being sought, and 29% were parole absconders being sought.<sup>136</sup> [<sup>136</sup> Department of Correctional Services, annual report 1997]

In June 1998, 8 084 prisoners were released as part of a six-month special remission of sentence granted by the president, Mr Nelson Mandela. According to the minister of correctional services, Dr Sipo Mzimela, those qualifying for release would be subject to normal parole conditions. The special remission of sentence was granted to prisoners with six months or less of their sentence remaining and did not apply to awaiting-trial prisoners, escapees still at large, and inmates who were mentally disturbed.<sup>137</sup> [<sup>137</sup> *Hansard* (NA:Q) 19 col 2753, 19 August 1998; *Saturday Star* 18 July 1998]

The table below shows the offender profile (including people on community correction), both actual and projected, between 1995/96 and 2001/02.<sup>138</sup> [<sup>138</sup> Department of Finance, *National Expenditure Survey* 1999]

***Actual and projected number of offenders: 1995/96–2001/02***

*Year*

Sentenced prisoners

Awaiting-trial prisoners

Total prison population<sup>a</sup>

Community correction

***Total offender population<sup>b</sup>***

1995/96<sup>c</sup>

87 000

23 000

110 000

35 000

**145 000**

1996/97<sup>c</sup>

89 000

30 000

119 000<sup>d</sup>

49 000

**168 000<sup>d</sup>**

1997/98<sup>c</sup>

98 000

37 000

135 000<sup>d</sup>

56 000

**191 000<sup>d</sup>**

1998/99<sup>e</sup>

108 000

48 000

156 000

65 000

**221 000**

1999/2000<sup>f</sup>

123 000

54 000

177 000

71 000

**248 000**

2000/01<sup>f</sup>

138 000

62 000

200 000

77 000

**277 000**

2001/02<sup>f</sup>

157 000

70 000

227 000

83 000

**310 000**

*Source:* Department of Finance

a

The total number of prisoners held in correctional services facilities (both sentenced and unsentenced).

b

The total offender population comprises offenders in prison (both sentenced and unsentenced) and offenders who have been placed on community correction.

c

Actual.

d

As calculated by the South African Institute of Race Relations.

e

Preliminary.

f

Projected.

Based on projected figures for 2001/02, the prison population would increase by 106% compared with 1995/96. The number of awaiting-trial prisoners would more than triple over the same period. The increase in the number of sentenced prisoners was expected to be some 80%.

The chart below shows the increase in the prison population (excluding people on community correction), both actual and projected, in the period 1



According to the 1999 *National Expenditure Survey*, the estimated daily cost of keeping a prisoner increased from R72 in 1997/98 to R86 in 1998/99. Based on the preliminary prison population for 1998/99 the total cost of the prison population amounted to R13.4m each day (up from R9.6m a day in 1997/98).<sup>139</sup> [<sup>139</sup> Ibid]

## **International Comparisons**

In 1998 there were 382 people per 100 000 of the population in South African prisons, compared with 125 in Algeria in 1996, 116 in Cameroon, and 61 in Nigeria in the same year, according to figures published by the Institute for Security Studies. (However, it should be noted that these figures are not strictly comparable and the prison statistics provided by different sources are not always reliable.) Incarceration rates in Russia and the US both exceeded 690 people per 100 000 of the population in 1998.<sup>140</sup> [<sup>140</sup> Institute for Security Studies, 'Assessing the State of South African Prisons', *African Security Review*, vol 7 no 4, 1998]

## **Prisons**

On 31st December 1997 there were 231 prisons in South Africa, of which 215 were male prisons, eight were female prisons, and eight were male youth correctional facilities.<sup>141</sup> [<sup>141</sup> Department of Correctional Services, annual report 1997]

## **Finance**

The budget allocation to correctional services decreased nominally by 4% from R5.6bn in 1998/99 to R5.4bn in 1999/2000. This allocation represented 2.7% of the total budget and 0.8% of gross domestic product (GDP). In terms of the medium-term expenditure framework, spending on prisons would increase to R6.2bn in 2000/01 and to R6.6bn in 2001/02 (around 2.7% of total budget and 0.8% of GDP for both years).<sup>142</sup> [<sup>142</sup> Information provided by the Department of Finance, 17 February 1999]

## **Closure of Prisons**

Nine South African prisons have been closed since 1994 because they did not comply with standards for the humane detention of prisoners and could not be renovated. As a result of these closures accommodation in prisons was reduced by 1 519 places.<sup>143</sup> [<sup>143</sup> *Hansard* (NA:Q) 3 col 238, 2 March 1998; 1996/97 Survey, p105]

## **New Prisons and Additions to Existing Facilities**

Two new prison facilities were opened in the Western Cape in 1997. The prisons in Goodwood and Malmesbury provided accommodation for an additional 1 692 and 972 prisoners each.<sup>144</sup> [<sup>144</sup> Department of Correctional Services, annual report 1997]

At the time of writing additions to the George prison (Eastern Cape) had been completed and additions to the Louis Trichardt prison (Northern Province), the Pietermaritzburg prison (KwaZulu-Natal), and the Somerset East prison (Eastern Cape) were being undertaken. These additions would provide accommodation for 716 prisoners.<sup>145</sup> [<sup>145</sup> Ibid]

Expenditure on the building of new prisons and the extension of existing facilities increased by 80% from R422m to R759m in the 1998/99 financial year. In terms of the government's medium-term expenditure framework, the Department of Correctional Services would spend R647m on the building and upgrading of prisons in 1999/2000, and R808m in 2000/01.<sup>146</sup> [<sup>146</sup> *Business Day* 26 March 1998]

Of the R759m allocated for spending in the 1998/99 financial year, R414m had been allocated to projects which included the building of a new super-maximum prison in Kokstad (Gauteng), a new prison in KwaZulu-Natal (to accommodate 1 392 inmates), and extensions to existing prisons which would provide additional accommodation for some 600 prisoners.<sup>147</sup> [<sup>147</sup> Ibid]

### ***Privatisation of Prisons***

In 1997 the cabinet approved an Asset Procurement and Operating Partnership System, which aimed to alleviate overcrowding by providing additional correctional facilities which would be financed, built, maintained, and operated in partnership with the private sector. (See also 1997/98 Survey, p26 and Martin Schönreich, *Unshackling the Crime Fighters*, (Spotlight Series 1/99).) The first four correctional services facilities to be procured in terms of the new system were:<sup>148</sup> [<sup>148</sup> Department of Correctional Services, annual report 1997]

- a maximum security facility in Louis Trichardt (Northern Province) which would house 1 500 inmates;
- a maximum security facility in Grootvlei (Free State) which would house 1 500 inmates;
- an awaiting-trial facility in Boksburg (Gauteng) which would house 1 500 inmates; and
- a youth development centre in Barberton (Mpumalanga) which would house 800 inmates.

In March 1999 the minister of public works, Mr Jeff Radebe, announced that the contract for the first two prisons to be built and managed by the private sector had been awarded. The contract for the prison in Louis Trichardt was awarded to South African Custodial Services at a cost of R1.8bn. Ikwezi Correctional Contracts was awarded the contract for the maximum security facility in Grootvlei at a cost of R1.76bn.<sup>149</sup> [<sup>149</sup> *Business Day* 11 March 1999]

### ***Conditions in Prisons***

In 1997 there was approved accommodation for 99 407 prisoners in South African prisons. However, prisons were 43% overcrowded. The highest level of overcrowding was in the Northern Cape, where it averaged 71% in 1997.<sup>150</sup> [<sup>150</sup> Department of Correctional Services, annual report 1997; *Hansard* (NCOP:Q) 5 cols 440–441, 1 July 1998]

According to a study conducted by the Institute for Security Studies entitled *Assessing the State of South African Prisons*, conditions in prisons varied considerably. The placement of a prisoner (and the conditions in the correctional facility in which he/she was incarcerated) was dependent on a number of factors including the availability of accommodation, the nature of the crime committed, and the location of the prisoner's family. The study cited the following examples of conditions in Pollsmoor (Western Cape) and Pretoria Central Prison (Gauteng):<sup>151</sup> [<sup>151</sup> Institute for Security Studies, 'Assessing the State of South African Prisons', *African Security Review*, 1998]

- in the Pollsmoor prison admission centre (where awaiting-trial prisoners are held), cells designed for one inmate housed up to three prisoners and communal cells designed for nine inmates housed up to 15 prisoners; and
- in Pretoria Central Prison communal cells designed to accommodate between 28 and 30 inmates housed between 50 and 55.

Because of a lack of prison staff to supervise them, inmates of these prisons spent most of their time in these conditions, with the lock-up period lasting from 3pm to 5am. An hour of exercise was allowed each day.

## ***Recidivism***

Between 88% and 95% of all convicted criminals went on to commit further crimes once they were released. The mental and physical conditions in which prisoners were held and the lack of effective rehabilitation and reintegration accounted for high rates of recidivism (repeat offending) in South Africa, the Institute for Security Studies said.<sup>152</sup> [<sup>152</sup> Ibid]

## ***Treatment of Prisoners***

In terms of the constitution of South Africa, accommodation under humane conditions is a basic right of prisoners. The basic needs of prisoners in respect of the right to clothing, food, hygienic facilities, life, medical care, and contact with family members are provided for regardless of the behaviour and attitude of prisoners.<sup>153</sup> [<sup>153</sup> Section 35(2)(e), Constitution of the Republic of South Africa, 1996, act no 108 of 1996; Department of Correctional Services, annual report 1997]

Privileges are used as a means of motivating prisoners to show good behaviour, develop a sense of

responsibility, and promote their interest and involvement in rehabilitation and treatment programmes within the correctional facilities. There are two types of privileges:<sup>154</sup> [<sup>154</sup> Department of Correctional Services, annual report 1997]

- *primary privileges*, which aim to maintain and extend ties between prisoners and their families in order to assist with the reintegration of the prisoner after release; and
- *secondary privileges*, which target the utilisation of leisure time, including participation in sporting events and the possession of television sets and radios.

In 1997, 67% of prisoners were Group A prisoners (receiving the most privileges based on behaviour) while less than 2% were Group D prisoners (receiving the fewest number of privileges based on behaviour).<sup>155</sup> [<sup>155</sup> Ibid]

## Escapes

The number of prisoners who escaped from prison during 1995–97 is shown in the table below.<sup>156</sup> [<sup>156</sup> 1997/98 Survey, p72.; Department of Correctional Services, annual report 1997.]

### *Prison escapees: 1995–97*

1995

1996

Increase

1997

Decrease

From prison

417

458

9.8%

407

(11%)

Outside prison (work teams)<sup>a</sup>

658

665

1.1%

472

(29%)

Outside prison (hospital custody, courts or under escort)

102

121

18.6%

110

(9%)

Absconders and erroneous releases

70

101

44.3%

80

(21%)

**Total**

1 247

1 345

7.9%

1 069

(21%)

*Source:* Department of Correctional Services

a

This figure includes both permanent and temporary members of work teams.

Escapes from prisons dropped by 55%—from 1 069 in 1997 to 480 in 1998. According to Mr Barry Eksteen, a spokesman for the Department of Correctional Services, in 1998 only 37% (179) of total escapees had escaped from prisons. The remaining prisoners had escaped from courts, hospitals, and other public places.

Mr Eksteen attributed the reduction in escapes, in part, to the introduction of a policy which stipulated that re-arrested escapees would serve the rest of their sentence in the maximum security facility, Cmax, which is housed in the Pretoria Central Prison (Gauteng).<sup>157</sup> [<sup>157</sup> *The Citizen* 29 December 1998]

The following table shows the number of escapees, the daily average of the prison population, escapees as a proportion of the daily average, as well as the increase/decrease in escapees between 1977/78 and 1

***Total number of escapees from South African prisons: 1977/78–98<sup>a</sup>***

*Year*

Prison escapees

Increase (decrease)

Daily average prison population

Escapees as a proportion of daily average

1977/78

1 859

N/A

99 292

1.9%

**1978/79**

1 781

(4.2%)

98 292

1.8%

1979/80

1 598

(10.3%)

100 677

1.6%

**1980/81**

1 371

(14.2%)

100 533

1.4%

1981/82

1 256

(8.4%)

87 539

1.4%

**1982/83**

1 090

(13.2%)

101 302

1.1%

1983/84

1 019

(6.5%)

107 174

1.0%

**1984/85**

1 027

0.8%

108 955

0.9%

1985/86



1 007

(1.9%)

111 410

0.9%

**1986/87**

963

(4.4%)

114 098

0.8%

1987/88

702

(27.1%)

111 481

0.6%

**1988/89**

575

(18.1%)

111 557

0.5%

1989/90

663

15.3%

110 194

0.6%

**1990/91**

746

12.5%

101 775

0.7%

1991/92<sup>b</sup>

1 126

50.9%

102 268

1.1%

**1993**

1 171

4.0%

111 798

1.0%

1994

1 233

5.3%

110 933

1.1%

**1995**

1 247

1.1%

110 069

1.1%

1996

1 345

7.9%

118 731

1.1%

**1997<sup>c</sup>**

1 069

(20.5%)

134 202

0.8%

1998<sup>d</sup>

480

(55.1%)

N/A

N/A

*Source:* Department of Correctional Services

a

Figures from 1977/78 to 1990/91 cover a 12-month period from 1st July of particular year to 30th June of the following year. Figures prior to 1994 do not include the former 'independent' homelands.

b

Figures supplied are for the period 1st July 1991 to 31st December 1992. This allowed for all subsequent figures to be given in terms of a calendar year.

c

These figures have been updated by the Department of Correctional Services and differ from those in the 1997/98 Survey.

d

Provisional figu

The following graph shows the total number of escapees from South African prisons between 1977/78 and 1998:

## **Assaults in Prisons**

There were 1 193 incidents of assault by members of the department on prisoners reported during 1997—an increase of 203% over the 394 assaults reported during 1996. There were 3 050 assault incidents involving attacks by prisoners on other prisoners during the same period—an increase of 35% compared with 1996. A total of 25 prisoners died as a result of assaults by other prisoners. Incidents of assault by prisoners on members of the department dropped by 41%, from 68 incidents in 1996 to 40 incidents in 1997.<sup>159</sup> [159 Department of Correctional Services, annual report 1997]

According to Mr Amos Hlongwane, director of community corrections in the Department of Correctional Services, between January and March 1998 there were 113 assaults and 12 deaths as a

result of gang violence in South African prisons. Mr Hlongwane said that prison gangs were involved in crimes that included assaults on correctional services personnel, robbery, and the use of drugs.<sup>160</sup> [<sup>160</sup> *The Citizen* 28 May 1998]

## Personnel

The Department of Correctional Services said in March 1998 that its affirmative action plan set a target ratio of 70:30 ‘in favour of previously under-represented groups’ to be achieved by 2000. In December 1997 the department employed a total of 29 555 personnel, of whom 50% were African, 34% were white, 15% were coloured people, and 2% were Indian. Just over 10% of people employed by the department in 1997 were women. The number of white employees in the department decreased by 9% between 1996 and 1997, while African employees increased by 5%, coloured employees by 11%, and Indian employees by 6%.<sup>161</sup> [<sup>161</sup> Department of Correctional Services, annual report 1997]

The chart below shows the personnel distribution of the Department of Correctional Services by population group in 1997.

An additional 1 755 correctional officers were employed by the department in 1997, of whom more than 50% were African.<sup>162</sup> [<sup>162</sup> *Hansard* (NCOP:Q) 5 col 473, 23 July 1998]

In August 1998 the minister of correctional services, Dr Sipo Mzimela, said that the Department of Correctional Services had a shortage of 4 495 personnel.<sup>163</sup> [<sup>163</sup> *Ibid* 6 cols 573–574, 19 August 1998] However, the minister said that the creation of an additional 2 559 posts (1 301 of them for custodial staff) had been budgeted for in the 1998/99 financial year.<sup>164</sup> [<sup>164</sup> *Ibid* 1 cols 33–34, 5 March 1998]

On 31st December 1997 the ratio of prisoners to staff was 5:1 compared with 1:1 in Germany and Australia. This ratio was calculated on the total personnel of the Department of Correctional Services (29 555) and included management and administrative personnel, although these staff did not have contact with prisoners on a daily basis. The ratio increased to 9:1 if the administrative and management staff were excluded from the calculation. According to the department, the ideal ratio was 3:1.<sup>165</sup> [<sup>165</sup> *Ibid*; Institute for Security Studies, ‘Assessing the State of South African Prisons’, *African Security Review*, 1998]

Between January and December 1997, 1 013 members left the employ of the department (excluding employees given severance packages). A total of 513 employees either resigned or were dismissed, 384 retired for medical reasons, 111 employees died, and five took normal retirement. Some 653 severance packages were approved during 1997 with just over 80% approved for correctional personnel.<sup>166</sup> [<sup>166</sup> Department of Correctional Services, annual report 1997]

During 1997, 300 mandays were lost as a result of work stoppages and illegal strike action—a drop of 90% compared with 1996.<sup>167</sup> [<sup>167</sup> *Ibid*]

# SOUTH AFRICAN NATIONAL DEFENCE FORCE

## Legislation

All new legislation on defence is discussed in the legislation section at the beginning of the chapter (see *Legislation* above).

## Finance

The allocation for spending on defence increased nominally by 3% from R11.6bn in 1998/99 to R12bn in 1999/2000 and represented some 6% of the total budget and 2% of gross domestic product (GDP). In terms of the medium-term expenditure framework, spending on defence would increase to R12.1bn in 2000/01 and R12.5bn in 2001/02 (around 6% of the total budget and 2% of GDP in both years).<sup>168</sup> [<sup>168</sup> Information provided by the Department of Finance, 17 February 1999]

## Equipment

In September 1999 the cabinet approved an armaments package for the South African National Defence Force (SANDF). The total cost of the armaments was estimated at R21.3bn, with the cabinet indicating that it may exercise options for a further R8.5bn of military hardware at a later stage. The armaments were to be supplied by companies from Germany, Italy, Sweden and the United Kingdom. Armaments to be supplied included:<sup>169</sup> [<sup>169</sup> *Business Day* 16 September 1999, *The Star* 17 September 1999]

- 9 Grippen advance fighter aircraft (plus options on 19 more);
- four corvettes;
- three submarines;
- 12 Hawk fighter trainers (plus options on 12 more); and
- 30 light utility helicopters.

According to Defence Minister Lekota, the procurement package would replace obsolete military equipment and be used for regional peacekeeping operations.<sup>170</sup> [<sup>170</sup> *Business Day* 17 September 1999] It was estimated that delivery of the defence equipment would be completed between 2008 and 2011, depending on the government's decision to purchase further hardware.<sup>171</sup> [<sup>171</sup> *Ibid*]

## Personnel

In June 1998 the deputy minister of defence, Mr Ronnie Kasrils, published figures showing that 70% of members of the South African National Defence Force (SANDF) were black (including Africans, Indians and coloured people). In the commissioned ranks of the SANDF, Mr Kasrils noted the following:<sup>172</sup> [<sup>172</sup> *The Citizen* 12 June 1998]

- of the 40 brigadiers in the SANDF, some 33% were black;
- of the 241 colonels, about 13% were black;
- of the 736 lieutenant colonels, some 15% were black;
- of the 861 majors, about 36% were black;
- of the 1 028 captains, a little more than half were black; and
- of the 2 000 lieutenants, some 44% were black.

Mr Kasrils further noted that half of the generals in the SANDF were black and that four of the nine territorial commands in South Africa were under the command of black officers.<sup>173</sup> [<sup>173</sup> *Ibid*]

In 1997 a total of 130 595 mandays were lost as a result of members of the SANDF being absent without leave. Disciplinary action was taken against 6 688 full-time force members and 451 civilian members as a result. A total of 3.1m mandays were lost during 1997 for reasons including sick leave, study leave, and vacation leave. This constituted some 13% of the total mandays available during 1997.<sup>174</sup> [<sup>174</sup> *Hansard* (NA:Q) 15 cols 2285–2286, 23 July 1998]

The number of combat-ready forces had dropped from 53 companies in 1996 to 19 companies in 1998.<sup>175</sup> [<sup>175</sup> Department of Finance, *National Expenditure Survey* 1999]

## **Restructuring and Integration**

### ***Voluntary Severance Packages***

Voluntary severance packages were introduced by the SANDF with effect from August 1996. By June 1998 a total of 1 265 commissioned officers had taken voluntary severance packages at a cost of R130m. An additional 6 864 non-commissioned officers and privates had taken voluntary severance packages at a cost of R274m. Voluntary severance packages were also granted to 148 members of the auxiliary services (costing R3m) and 2 883 civilian employees of the SANDF (at a cost of R44m). The total cost of voluntary severance packages to the Department of Defence was R451m.<sup>176</sup> [<sup>176</sup> *Hansard* (NA:Q) 18 cols

2531–2532, 11 August 1998]

## ***Downsizing of the Defence Force***

In line with the policy to downsize the SANDF, the minister of defence, Mr Joe Modise, said that in the financial year ending March 1998 the staff complement had been reduced by 6 016, bringing the number of full-time members to 93 324. This staff reduction had been achieved through natural attrition and voluntary severance packages.

Between January and December 1997, 10 190 members left the SANDF. Of those leaving more than 70% were members of the former South African Defence Force (SADF), almost 20% were members of the armed forces of the former ‘independent’ homelands, 6% were former Umkhonto we Sizwe (Umkhonto) and Azanian People’s Liberation Army (Apla) cadres, 5% were employed by the SANDF, and less than 1% were members of the former KwaZulu self-protection forces.<sup>177</sup> [<sup>177</sup> *Hansard* (NA:Q) 18 col 2521, 11 August 1998]

Some 60% of people leaving the employ of the SANDF in 1997 took voluntary severance packages, 38% were discharged (including contract expiries, deaths, and resignations), and 2% reached retirement age.<sup>178</sup> [<sup>178</sup> *Ibid* 4 col 367, 12 March 1998]

In November 1998 it was announced that the South African Army would delay planned retrenchments until after the election in 1999. Proposed staff reduction plans would see the army rationalise 9 300 members in 2000 and another 4 400 in 2001 as part of the broader policy to reduce the staff of the SANDF by some 20 000 members.

As a result of the proposed rationalisation, the SANDF would be made up in the following way:<sup>179</sup> [<sup>179</sup> *Business Day* 13 November 1998]

- 34% former SADF members;
- 24% civilian employees;
- 14% former members of Umkhonto;
- 11% members of the armed forces of the former ‘independent’ homelands;
- 9% members recruited by the SANDF after 1994; and
- 6% members of Apla.



Moreover, the rationalisation process would ensure that 50% of the management would be black and 30% would be female.<sup>180</sup> [<sup>180</sup> Ibid]

According to a senior staff officer of the SANDF, Colonel Kobus Smit, five regional task force headquarters would replace the existing nine territorial commands by March 2001 and 13 of the 21 infantry units would be closed. These changes, together with staff reductions, would reduce spending by 35% as required by the guidelines of the defence review published in 1998.<sup>181</sup> [<sup>181</sup> Ibid]

## **Integration**

By December 1997, 24 076 members of the non-statutory forces of Umkhonto and Apla had exercised their right either to integration or to demobilisation. Some 20% elected to demobilise, 6% left the defence force, and 71% elected to be integrated.

Based on the Certified Personnel Registers of Umkhonto and Apla, only 57% of personnel had applied for either integration or demobilisation by the end of 1997.<sup>182</sup> [<sup>182</sup> Department of Defence, annual report 1996/97]

## **Deployment of Troops**

### **Border Control**

The number of companies deployed for border protection dropped from 22 in 1995 to ten in 1998—a decrease of 55%.<sup>183</sup> [<sup>183</sup> Department of Finance, *National Expenditure Survey* 1999]

### **Combating of Crime**

In the period 1st January to 15th December 1998 the SANDF arrested 35 383 illegal immigrants and 4 658 persons suspected of criminal activities. In support of operations of the South African Police Service (SAPS), members of the SANDF recovered 3 161 illegal weapons and 773 stolen vehicles. In addition, the air force undertook 2 840 operational flying hours in crime prevention operations, as well as 1 909 hours patrolling South Africa's borders.<sup>184</sup> [<sup>184</sup> *The Star* 15 December 1998]

The number of companies of the South African Army used to assist the SAPS in crime prevention operations decreased from 31 in 1995 to nine in 1998—a drop of 71%.<sup>185</sup> [<sup>185</sup> Department of Finance, *National Expenditure Survey* 1999]

### **Voter Registration**

In November 1998 the chief of the SANDF, General Sphiwe Nyanda, announced that 8 200 members of the SANDF would be deployed as voter registration officials for the 1999 general election. The

deployment of troops would be funded by the operational budget of the SANDF.<sup>186</sup> [<sup>186</sup> *The Star* 25 November 1998]

## Military Action

On 22nd September 1998 some 800 troops from South Africa and Botswana began a military operation in Lesotho (Operation Boleas) as part of a Southern African Development Community (SADC) initiative to bring about stability in that country. Diplomatic efforts to resolve Lesotho's internal crisis, which had resulted when five opposition parties rejected the results of the general election in May 1998, had failed. According to the president, Mr Nelson Mandela, the intervention of troops from SADC was necessary to prevent a coup in Lesotho. The arrival of the South African troops prompted widespread looting in the country's capital, Maseru. During the operation 66 people were killed, eight of them South African soldiers.<sup>187</sup> [<sup>187</sup> *Sowetan* 23 September 1998, *Business Day* 25 September 1998]

The SANDF said the aim of Operation Boleas was to 'stabilise' Lesotho by disarming and neutralising dissident members of the Lesotho National Defence Force and their collaborators. This aim had been achieved within the first two days of the operation, the SANDF said.<sup>188</sup> [<sup>188</sup> *The Citizen* 25 September 1998]

Additional troops were sent to Lesotho in October 1998, bringing the total number to 3 500. The additional troops were necessary to maintain stability and prevent looting, Colonel Robbie Hartslief of the SANDF said.<sup>189</sup> [<sup>189</sup> *Ibid* 7 October 1998] Although a negotiated settlement had not been achieved in Lesotho the first troop withdrawals began in November 1998, as stability had been sufficiently restored to allow for a reduction in troop levels.<sup>190</sup> [<sup>190</sup> *Ibid*, *The Star* 3 November 1998, *Business Day* 20 November 1998, *The Star* 24 December 1998]

Figures published by the Department of Defence showed that Operation Boleas had cost in excess of R30m.<sup>191</sup> [<sup>191</sup> *Business Day* 24 December 1998] According to Lieutenant General Deon Ferreira of the SANDF, weaknesses in Operation Boleas included:<sup>192</sup> [<sup>192</sup> *The Star* 3 November 1998]

- insufficient time for proper planning and preparation in the absence of a contingency plan;
- insufficient time for proper deployment drills, which meant that SANDF troops deployed in Lesotho were not combat-ready; and
- inadequate stock-level planning for operational reserves, which resulted in a strain on supplies.

In April 1999 it was announced that forces of the SADC would begin an immediate withdrawal from Lesotho. However, a training team made up of troops from both South Africa and Botswana would remain in Lesotho to assist with the reconstruction and training of the Lesotho Defence Force.

Moreover, both South Africa and Botswana would have standby forces available for intervention until the next elections were held in Lesotho.<sup>193</sup> [<sup>193</sup> *The Citizen* 30 April 1999] (See also *Military Action* under Intelligence below).

## INTELLIGENCE

The intelligence services are not listed separately in the budget as they form part of the defence budgetary allocation. Information on personnel was not available for the period under review.

The new president of South Africa, Mr Thabo Mbeki, created a new ministry in his cabinet in June 1999, that of Intelligence. Mr Mbeki appointed Mr Joe Nhlanhla as minister of intelligence.

## Military Action

According to the chief of special forces of the South African National Defence Force (SANDF), Brigadier General Borrie Bornman, the major mistake of Operation Boleas was a lack of thorough intelligence. The soldiers were not adapted to the situation or to the terrain, he said. (See also *Military action* under *South African National Defence Force* above.)<sup>194</sup> [<sup>194</sup> *Ibid* 1 October 1998]

In respect of poor intelligence, Colonel Robbie Hartslief, commander of the joint armed forces of South Africa and Botswana, noted that the main flaws in Operation Boleas were:<sup>195</sup> [<sup>195</sup> *Sunday Times* 27 September 1998]

- the belief that most of the armaments of the Lesotho Defence Force were held at the Makoanyane military base;
- a failure to ascertain that 53 truckloads of arms and ammunition had been moved from the military base;
- the presumption that all off-duty troops would be at the base by the time the military operation by troops from South Africa and Botswana took place. However, military intelligence was not aware that Lesotho Defence Force soldiers lived off the base. It was standard procedure for them to take their weapons and ammunition off-base when they were not on duty;
- the assumption that rebel troops would offer little resistance;
- a failure to determine how many soldiers of the Lesotho Defence Force remained loyal to the government of Lesotho;
- inadequate information regarding the size of the Lesotho Defence Force; and

- insufficient preparation to counter snipers and to control the looting and violence that followed the military action. Moreover, the extent to which weapons had been circulated among the civilian population had not been fully anticipated.

The minister of defence, Mr Joe Modise, said that military intelligence had been inadequate and that the defence force ‘did not expect that they (the Lesotho army) would resist in the way they resisted’. Furthermore, he said that the defence force had believed that ‘common sense would have shown them that resistance was futile’.<sup>196</sup> [196 Ibid]

## EDUCATION

### BIRD’S EYE VIEW

The year under review saw the introduction of several pieces of legislation and other policies. However, various problems continued to frustrate the effective delivery of education. Despite the acknowledgement of the Department of Education that it was ‘essential’ to develop a publicly funded reception year (grade 0) for all pupils, no progress was made to broaden access. The government acknowledged in 1998 that it would not be able to provide free education to all learners despite earlier promises to do so.

Curriculum 2005 was introduced in grade 1 in 1998 and in grade 2 in 1999. However, its introduction in grade 7 was delayed—possibly to 2002, according to the minister of education, Professor Sibusiso Bengu. Although most teachers were receptive to the new curriculum, and to outcomes-based education, successful implementation was hampered by inadequate training of teachers, a lack of materials, and poor communication between departmental officials and teachers.<sup>1</sup> [1 Wits Education Policy Unit (EPU), *Quarterly Review of Education and Training in South Africa*, December 1998]

The implementation of adult basic education and training (Abet) was not as successful as hoped. Fewer than one fifth of potential learners were enrolled for Abet classes in 1996. The situation had not changed significantly by the time of writing. The reasons were twofold. The National Literacy Co-operation, the biggest provider of Abet in the country, closed down in 1998 because of mismanagement. As a result some of the main donors in the adult literacy field either terminated or reduced their funding. The funding crisis worsened as provinces, which were responsible for providing Abet, failed to spend more than 1% of their education budgets on Abet.

Higher education continued to be dominated by two issues—student debts and falling enrolments. Previously black universities were most affected by debt, as well as falling enrolments. University enrolments dropped by 6% in 1998 from the previous year. The drop was attributed to a clamp-down by universities on non-paying students, a shrinking pool of students with matriculation exemption, competition from private higher education institutions (which had increased in number over the past few

years), and a movement by students away from universities towards technikons. Enrolments at technikons increased by some 20% over the same period.

The department was examining various options to provide additional assistance to higher education students. Legislation in this regard was expected in late 1999.

A new national training system was introduced with the enactment of the Skills Development Act of 1998. Traditional apprenticeships would be replaced by learnerships which would lead to registered qualifications in terms of the National Qualifications Framework. The National Training Board would be replaced by a national skills authority and the various industry training boards would be replaced by sector education and training authorities (Setas). The most controversial aspect of the new legislation was the establishment of a national skills fund. Business opposed the mandatory imposition of a levy of personnel costs to fund skills training. The levy would be introduced at 0.5% of payroll in April 2000, which would yield about R1bn. The levy would increase to 1% in 2001.

Various regulatory frameworks and legislation focusing on teachers were adopted during 1998. In November an agreement was signed in the Education Labour Relations Council between the government and the three major teacher unions—following more than two years of negotiations between the parties. Inter alia, the agreement made provision for rationalisation and redeployment. It also abolished nationally determined pupil/teacher ratios in favour of provincially determined ones, based on the capacity of provincial budgets.

For the first time the department introduced a description of the duties and responsibilities of teachers (or ‘job descriptions’). In terms of a workload agreement teachers should be at school for at least seven hours a day (or 1 800 hours a year) and do up to 80 hours of in-service training annually (ie two weeks).

In January 1999 a new teacher appraisal system was introduced to replace the old inspection system. Henceforth, teacher performance evaluations would be based on self-appraisal and peer evaluation and would not be ‘directly linked to promotion and salary’, unlike under the previous system. Teachers in public schools were required to register with the South African Council of Educators (Sace), established in terms of the Employment of Educators Act of 1998. The council introduced a code of conduct which included disciplinary procedures to which all its members had to adhere.

Various policies affecting education at school level were also adopted in 1998. The National Norms and Standards for School Funding dealt with the public funding of schools, exemption for parents unable to pay school fees, and public subsidies to schools. The norms in essence required wealthier public schools to contribute more financially to their running costs than those in poorer communities. Furthermore, government’s policy on the funding of independent schools was also set out. Registered independent schools which did not operate for profit, had a senior certificate pass rate of more than 50%, and had repetition rates of below 20% in grades 11 and 12 would qualify for subsidies. Subsidies would be granted on a sliding scale, based on annual school fees.

In 1998 the department increased to seven years the minimum age of pupils entering grade 1. To cut down on costly repeats the admissions policy allowed pupils to repeat a grade only once in each phase of the school cycle (the phases comprised grades 1–3, grades 4–6, and grades 7–9). It was estimated that the introduction of this policy in grade 1 alone would save R1.4bn annually.

Two school exit points were established in terms of a new assessment policy, as opposed to grade 12 only. The exit points would be in grade 9 and grade 12, where pupils would write an externally moderated examination.

## KEY POINTS

- Some 19% of the population over 20 years old had no education in 1996, according to the 1996 population census. About 24% of the population had some primary education (full or partial), 34% had some secondary education, and 16% had grade 12. Only 6% had some form of post-matriculation education.
- In 1998, 49% of candidates who wrote the senior certificate examinations passed, an increase of two percentage points over 1997. The number of candidates who obtained matriculation exemption (ie a senior certificate pass good enough to qualify them for university) remained at 13%.
- Between 1979 and 1998 the number of candidates writing the senior certificate examinations increased by 548%, but the number passing the examination increased by 267%. The number obtaining matriculation exemption increased by 115%.
- The total number of degrees, diplomas, and certificates awarded by universities and technikons increased by 29% between 1992 and 1996.
- Of the total number of degrees, diplomas, and certificates awarded by higher education institutions in 1996, 45% went to whites (down from 53% in 1995) and 44% went to Africans (up from 35% in 1995).
- Between 1991 and 1996 total higher education awards obtained by Africans increased by 154%. The total awards obtained by whites over the same period dropped by 3%.
- The number of enrolments at universities dropped by 6% between 1997 and 1998. Enrolments at technikons increased by 20% over the same period.
- The number of students who received loans from the Tertiary Education Fund of South Africa (Tefsa) increased by 777% since 1991, while the total amount allocated to assist needy students increased by 1 496%.
- Some 2.1m people were enrolled in adult basic education and training (Abet) classes in 1996, according to the 1996 census results. There were 12.7m 'potential' Abet learners in the same year, ie

adults without a general education.

- Some 4m or 35% of all pupils enrolled at school were either under or over-age, the Department of Education said in 1998. In grade 1 alone there was a 66% over-enrolment. In grade 2 the figure was 25%.
- According to the Department of Education, it would save R1.4bn or 35% of the total current cost of the school system by increasing the entrance age in grade 1 to seven years.
- In 1998 an estimated 26% of South Africa's 361 000 teachers were considered under-qualified, compared with 36% in 1994 (ie having less than a senior certificate and a three-year teaching qualification).

## HUMAN RESOURCES

### Qualification Profile of the Population

#### Level of Education

Some 19% of people over 20 years old had no education, according to the 1996 population census, published by Statistics South Africa in October 1998. About 6% of the population over 20 years old had some form of post-matriculation education and 16% had grade 12 (standard 10). About 24% had either some or full primary education, while 34% had some secondary education. The following tables give the education levels (ie highest level of education completed) of the population over 20 years of age in 1996 by province according to number and proportion:<sup>2</sup> [2 Statistics South Africa (Stats SA), *The People of South Africa: Population Census, 1996*, Report no 1: 03-1-11, 1996]

#### *Education levels of people 20 years and older by province: 1996*

*Province*

No schooling

Some primary

Some secondary

Grade 12 (Std 10)

Higher

Unspecified/ other

**Total**

EC

617 796

899 711

966 341

328 637

139 200

88 987

**3 040 672**

FS

236 148

458 384

493 148

199 654

76 265

49 453

**1 513 052**

Gau

419 157



812 267

1 780 368

1 042 744

369 627

402 764

**4 826 928**

KZN

957 217

1 026 021

1 328 708

665 303

200 819

217 428

**4 395 496**

Mpu

410 337

307 000

403 474

203 102

69 551

58 967

**1 452 430**

NW

403 143

503 301

560 987

236 188

75 258

61 774

**1 840 651**

NC

97 692

134 149

139 233

53 482

25 939

18 027

**468 521**

NP

771 587

376 663

556 667

293 703

94 107

95 312

**2 188 040**

WC

153 109

566 696

901 196

435 620

243 954

119 855

**2 420 430**

Total<sup>a</sup>

4 066 187

5 084 189

7 130 121

3 458 434

1 294 720

1 112 568

22 146 220

*Source:* Statistics South Africa

a

Figures should add up but may not, owing to

***Proportional breakdown of education levels of people 20 years and older by province: 1996***

*Province*

No schooling

Some primary

Complete primary

Some secondary

Grade 12 (standard 10)

Higher

***Total***

EC

20.9%

21.5%

9.0%

32.7%

11.1%

4.7%

**100%**

FS

16.1%

22.4%

8.9%

33.7%

13.6%

5.2%

**100%**

Gau

9.5%

11.7%

6.7%

40.2%

23.6%

8.4%

**100%**

KZN

22.9%

17.9%

6.7%

31.8%

15.9%

4.8%

**100%**

Mpu

29.4%

15.2%

6.9%

29.0%

14.6%

5.0%

**100%**

NW

22.7%

20.5%

7.8%

31.5%

13.3%

4.2%

**100%**

NC

21.7%

21.0%

8.8%

30.9%

11.9%

5.8%

**100%**

NP

36.9%

12.1%

5.9%

26.6%

14.0%

4.5%

**100%**

WC

6.7%

15.7%

8.9%

39.2%

18.9%

10.6%

**100%**

Total

19.3%

16.7%

7.5%

33.9%

16.4%

6.2%

100%

*Source:* Statistics Sou

A large proportion of people in the Northern Province (37%) had no education, compared to Gauteng (10%) and the Western Cape (7%), which had the lowest rates. Gauteng and the Western Cape also had a higher proportion of people with post-school educational qualifications than the other provinces, with 8% and 11% respectively. In the Eastern Cape, KwaZulu-Natal, the North West, and the Northern Province fewer than 5% of the population had post-school qualifications.

According to the 1991 population census, 9.7% of the population older than 18 years had no education. Some 8.9% of the population had standard 10 (ie grade 12), while 1.3% had a degree or higher. The 1991 and 1996 census results are not strictly comparable as the 1991 census excluded the former 'independent' homelands.<sup>3</sup> [<sup>3</sup> Central Statistical Service (CSS), *Demographic Statistics*, 1993]

The following chart shows the highest level of education completed in 1996:

Almost a quarter of Africans had no education, compared to 10% of coloured people, 7% of Indians, and 1% of whites. About 28% of Africans had no more than a primary school qualification, compared to 1%



of whites. Only 3% of Africans had post-school education, compared with nearly a quarter of whites, as illustrated in the following table: 4 [4 Stats SA, *Population Census* 1996]

***Education levels of people 20 years and older by race: 1996***

African

Coloured

Indian

White

***Total***

Higher

3.0%

4.3%

10.0%

24.1%

**6.2%**

Grade 12

12.1%

12.3%

30.4%

40.7%

**16.4%**

Some secondary

32.8%

42.5%

40.0%

32.8%

**33.9%**

Some/complete primary

27.8%

30.7%

13.1%

1.2%

**24.2%**

None

24.3%

10.2%

6.5%

1.2%

**19.3%**

*Source:* Statistics South Af

According to the 1991 census, 13% of Africans over 18 years had no education (excluding the former 'independent' homelands), compared to 7% of coloured people, 4% of Indians, and less than 1% of whites.<sup>5</sup> [<sup>5</sup> CSS, *Demographic Statistics*, 1993]

The chart below compares the education levels of Africans and whites in 1996.

In 1996, 36% of all children or young adults between five and 24 years were not attending any educational institution.<sup>6</sup> [<sup>6</sup> Stats SA, *Population Census* 1996]

## ***Literacy***

The 1996 census results showed that 7.6m people or 36% of the population aged 20 years and older were illiterate. (Literacy is defined as fewer than seven years of formal schooling.) Comparatively more women (55%) than men (45%) were illiterate, as shown in the table below.<sup>7</sup> [<sup>7</sup> Ibid]

### ***Population aged 20 and older who are illiterate: 1996<sup>a</sup>***

*Province*

Male

Female

***Total<sup>b</sup>***

*Proportion of total provincial population*

Eastern Cape

530 977

722 294

**1 253 271**

42%

Free State

277 042

287 183

**564 224**

39%

Gauteng

500 080

435 701

**935 781**

21%

KwaZulu-Natal

685 658

1 019 145

**1 704 803**

41%

Mpumalanga

279 291

342 261

**621 554**

45%

North West

381 456

385 984

**767 440**

43%

Northern Cape

92 853

99 408

**192 263**

43%

Northern Province

365 012

658 862

**1 023 873**

49%

Western Cape

260 935

254 458

**515 394**

22%

**South Africa<sup>b</sup>**

3 373 305

4 205 297

7 578 602

36%

*Source:* Statistics South Africa

a

Includes people with no education and with some primary education.

b

Figures may not add up, owing to

## Education Output

### Senior Certificate Pass Rate

In 1998, 49% of candidates who wrote the senior certificate examinations passed (based on preliminary figures)—an increase of two percentage points over 1997. The number of candidates who obtained matriculation exemption (ie high enough marks to gain entry into university) remained at 13%. In total 7 706 more candidates passed, while 266 fewer obtained matriculation exemption in 1998 than in 1997. The national pass rate as well as that of Mpumalanga was revised downwards after a report by Mr Justice Eberhardt Bertelsmann found that the province's results had been tampered with.<sup>8</sup> [<sup>8</sup> Information provided by the Department of Education, 13 May 1999; *The Teacher* May 1999]

The Department of Education said that there was 'an extremely high drop-out rate' in the 1998 examinations (preliminary figures). Of the 833 404 pupils that were in grade 9 in 1995, about two thirds wrote the grade 12 examination in 1998 (a drop-out rate of 34%). The department also noted that only 34% of pupils that were in grade 9 in 1995 passed the senior certificate examination in 1998.<sup>9</sup> [<sup>9</sup> Department of Education, *Report of the Senior Certificate Examinations 1998*, January 1999]

The table below gives a breakdown of the number of senior certificate candidates, the pass rate, and matric exemptions from 1979 to 1998 (including the former homelands).<sup>10</sup> [<sup>10</sup> Research Institute for Education Planning, University of the Orange Free State, *Education and Manpower Development*, various years; Department of Education, *Report on the Senior Certificate Examinations 1998*, January 1999; information provided by the Department of Education, 14 May 1999]

### *Senior certificate results: 1979–98<sup>a</sup>*

*Year*

NumPass

Matric exemption

Number

Proportion<sup>b</sup>

Number

Proportion<sup>c</sup>

1979

85 276

74 313

87%

32 460

38%

**1980**

109 807

82 597

75%

34 011

31%

1981

125 291

88 639

71%

34 742

28%

**1982**

139 488

95 916

69%

35 289

25%

1983

154 245

104 183

68%

37 666

24%

**1984**

167 842

113 852

68%

40 787



24%

1985

164 967

110 810

67%

41 164

25%

**1986**

193 369

133 373

69%

48 025

25%

1987

245 509

170 856

70%

60 195

25%

**1988**

291 349

199 742

69%

68 700

24%

1989

316 842

185 092

58%

61 223

19%

**1990**

360 452

191 249

53%

60 281

17%

1991

408 468

221 407

54%

73 054

18%

**1992**

448 491

250 527

56%

75 601

17%

1993

472 458

242 310

51%

68 820

15%

**1994**

495 408

287 343

58%

88 497

18%

1995<sup>d</sup>

531 453

283 742

53%

78 821

15%

**1996<sup>d</sup>**

518 225

279 487

54%

80 015

15%

1997<sup>d</sup>

559 233

264 795

47%

70 127

13%

**1998<sup>e</sup>**

552 862

272 501

49%

69 861

13%

*Source:* Research Institute for Education Planning; Department of Education

a

Figures for 1995–98 have been adjusted by the Department of Education and therefore differ from figures published in the 1997/98 Survey.

b

Proportion of total candidates who passed grade 12.

c

Proportion of total candidates who obtained a matriculation exemption.

d

Figures for 1995–97 consist of full-time students who wrote six or more subjects. They exclude supplementary examinations.

e

Figures as calculated by the South African Institute of Race Relations. National figures were adjusted after adjustments to the Mpumalanga figures by the South African Certification C

Between 1979 and 1998 the number of candidates writing the senior certificate examinations increased by 548%, the number passing the examination by 267%, and the number obtaining matriculation exemption by 115%.

The graph below plots the number of senior certificate passes and exemptions for the period 1979–98.

From 1979 to 1998 the overall pass rate varied from 87% in 1979 to 67% in 1985, thereafter dropping to

below 60%, reaching a low of 47% in 1997. Overall, matriculation exemption declined from 38% in 1979 to 13% in 1997 and 1998.

The following graph shows the pass rates and exemption rates for the period 1979–98:

The following table shows the senior certificate results by province for the period 1994–98:<sup>11</sup> [11

Department of Education, *Report on the Senior Certificate Examinations* 1998, January 1999]

***Senior certificate results by province: 1994–98***

*Province*

**Year**

**Number of candidates**

**Proportion passed**

**Proportion with matriculation exemption**

**Eastern Cape**

1994

73 728

57%

14%

1995

67 397

48%

11%

1996<sup>a</sup>

66 809

49%

11%

1997<sup>a</sup>

76 851

46%

10%

1998<sup>a</sup>

82 517

45%

8%

*Free State*

1994

30 278

56%

15%

1995

33 147

50%

12%

1996<sup>a</sup>

35 554

51%

12%

1997<sup>a</sup>

40 157

42%

11%

1998<sup>a</sup>

40 777

43%

11%

*Gauteng*

1994

75 266

61%

21%

1995

79 215

58%



19%

1996<sup>a</sup>

73 152

58%

19%

1997<sup>a</sup>

75 910

52%

17%

1998<sup>a</sup>

76 861

56%

16%

*KwaZulu-Natal*

1994

75 409

68%

26%

1995

87 053

69%

25%

1996<sup>a</sup>

86 608

62%

23%

1997<sup>a</sup>

105 449

54%

18%

1998<sup>a</sup>

108 063

50%

17%

*Mpumalanga<sup>b</sup>*

1994

40 113

48%

11%

1995

45 479

38%

7%

1996<sup>a</sup>

41 731

47%

10%

1997<sup>a</sup>

39 091

46%

9%

1998<sup>a</sup>

41 612

53%

13%

*North West*

1994

34 984

70%

23%

1995

41 950

66%

17%

1996<sup>a</sup>

46 349

70%

16%

1997<sup>a</sup>

48 542

50%

11%

1998<sup>a</sup>

42 436

55%

13%

*Northern Cape*

1994

5 855

78%

21%

1995

6 529

74%

17%

1996<sup>a</sup>

7 111

74%

17%

1997<sup>a</sup>

7 611

64%

15%

1998<sup>a</sup>

7 429

65%

11%

*Northern Province*

1994

129 951

44%

12%

1995

138 816

38%

7%

1996<sup>a</sup>

126 081

39%

8%

1997<sup>a</sup>

128 559

32%

6%

1998<sup>a</sup>

114 621

35%

7%

*Western Cape*

1994

29 824

86%

29%

1995

31 867

83%

27%

1996<sup>a</sup>

34 830

80%

35%

1997<sup>a</sup>

37 063

76%

23%

1998<sup>a</sup>

38 546

79%

23%

*South Africa*

1994

495 408

58%

18%

1995

531 453

53%

15%

1996<sup>a</sup>

518 225

54%

16%

1997<sup>a</sup>

559 233

47%

13%

1998

552 862

49%

13%



*Source:* Department of Education

a

Figures for 1996–98 consisted of full-time pupils who wrote six or more subjects.

b

Senior certificate results for Mpumalanga in 1998 were adjusted downwards by the South African Certification Council

Mpumalanga was the only province in which the pass rate was higher in 1998 than in 1994, despite the fact that the province's results were adjusted downwards after it was found that the results had been tampered with.

The following graph illustrates provincial pass rates in 1994 and 1998:

In September 1998 a ministerial committee on the senior certificate examination published a report proposing the replacement of the senior certificate with a further education and training certificate at the completion of grade 12. A general education and training certificate (GETC) should be introduced at the completion of grade 9 to mark the end of the free and compulsory education phase. Urgent consideration should be given to the levying of a fee for writing the senior certificate examination. The report argued that the high failure rate was partly caused by unprepared candidates writing the examination because there was no cost involved. The introduction of a fee, together with an earlier exit qualification, would reduce the number of failures, according to the report.<sup>12</sup> [<sup>12</sup> *Report: Investigation into the Senior Certificate Examination by the Ministerial Committee*, September 1998]

Pupils writing examinations set by the Independent Examinations Board (IEB) in 1998 achieved an overall pass rate of 98%, while 89% of the candidates obtained matriculation exemption. The number of schools writing the IEB examinations increased from 29 in 1995 to 99 in 1998 (by 241%). The total number of pupils writing the examinations increased from 1 335 to 4 566 full-time pupils over the same period (by 242%).<sup>13</sup> [<sup>13</sup> *Business Day* 24 December 1998]

### ***Results in Selected Subjects***

The following table shows the results in selected senior certificate subjects over the period 1996–98:<sup>14</sup> [<sup>14</sup> Department of Education, *Report on the Senior Certificate Examinations 1998*, January 1999]

#### ***Results in selected subjects: 1996–98***

*Subject*

Year

Number of candidates per subject<sup>a</sup>

Proportion who passed

Proportion who passed on higher grade

Biology

1996

425 437

64%

18%

1997

447 224

55%

13%

1998

432 295

57%

13%

*History*

1996

188 988

52%

14%

1997

194 983

49%

13%

1998

178 846

58%

15%

*Mathematics*

1996

215 061

50%

10%

1997

252 617

46%

9%

1998

279 702

42%

7%

*Physical science*

1996

122 899

67%

21%

1997

141 278

65%

19%

1998

157 174

66%

17%

*English*

1996

527 519

95%

78%

1997

564 572

89%

65%

1998

562 156

89%

65%

*Afrikaans*

1996

463 501

95%

79%

1997

483 935

89%

62%

1998

464 049

89%

63%

*Source:* Department of Education

a

Includes all pupils who wrote the examination, ie full-time and part-time candidates, irrespective of whether they wrote six or fewer subjects.

Most of the candidates who wrote biology, history, and physical science did so at the higher grade (which allows students entry into university), while most of those who wrote mathematics wrote it on the standard grade. However, of all those candidates who *wrote* these subjects on the higher grade, the majority *passed* them on the standard grade. For example, 73% of the biology candidates wrote on the higher grade but only 13% attained a higher grade pass. This trend indicated that a large proportion of pupils wrote the subject on the incorrect grade, the department said.

An analysis of the maths results shows that for every 100 candidates in grade 12, only 45 took maths, of whom only 21 passed. Of the 21 that passed, only four attained a higher grade pass, while 14 attained a standard grade pass, and three a lower grade pass.

The graphs below indicate the proportion of candidates who wrote science and maths, and the proportio

## Vocational Training

### *Trade Tests Passed*

In 1998 some 8 600 apprentices wrote trade tests to qualify as nationally recognised artisans. Of these, 57% passed. Though this was an increase of only 1% over the number who had passed in 1997, the 1998 figure was still lower than in 1993, when the number of trade tests passed had reached nearly 9 400.<sup>16</sup> [<sup>16</sup> 1996/97 Survey, p164; information provided by the Central Organisation for Trade Testing (Cott), 11 May 1999]

Between 1980 and 1998 there was a 2% drop in the number of trade tests passed. The following table shows the number of people who wrote trade tests and the number who passed between 1980 and 1998:<sup>17</sup> [<sup>17</sup> 1997/98 Survey, p164; information provided by Cott, 11 May 1999]

### *Trade tests written and passed: 1980–98*

*Year*

Written

Passed

Proportion passed

Tests passed: increase (decrease)

1980

9 016

5 033

55.8%

N/A

**1981**

9 098

5 299

58.2%

5.3%

1982

10 604

5 892

55.6%

11.2%

**1983**

12 757

6 531

51.2%

10.8%

1984

14 577

7 243

49.7%

10.9%

**1985**

16 565

8 404

50.7%

16.0%

1986

14 757

7 693

52.1%

(8.5%)

**1987**

N/A



N/A

N/A

N/A

1988

N/A

N/A

N/A

N/A

**1989**

14 431

6 716

46.5%

N/A

1990

12 885

6 095

47.3%

(9.2%)

**1991**

12 785

6 220

48.7%

2.0%

1992

14 285

7 276

50.9%

17.0%

**1993**

16 599

9 371

56.5%

28.8%

1994

10 617

5 943

56.0%

(36.6%)

**1995**

8 271

4 872

58.9%

(18.0%)

1996

10 974

6 810

62.1%

39.8%

**1997**

8 202

4 874

59.5%

(28.4%)

1998

8 589

4 933

57.4%

1.2%

*Source:* 1997/98 Survey; Department of Labour

N/A – Not available.

The graph below shows the number of trade tests passed between 1980 and 1998 (no figures were availa

## ***Apprenticeship Contracts Completed***

The number of people who completed apprenticeship contracts dropped by 29% from 1997 to 1998. The following table shows the number of apprenticeship contracts completed from 1994 to 1998:<sup>18</sup> [<sup>18</sup> Department of Labour, annual report 1997]

### ***Apprenticeship contracts completed: 1994–98***

#### ***Industry***

1994

1995

1996

1997

1998

#### **Aerospace**

52

159

125

73

61

#### **Automobile manufacturing**

44

33

51

39

63

**Building**

270

307

257

285

221

**Carbonated soft drinks<sup>a</sup>**

0

0

0

0

10

**Chemical, oil, and allied industries<sup>b</sup>**

18

101

0

61

68

Dairy

0

0

0

0

1

**Diamond cutting**

3

1

0

0

4

Electrical contracting

259

162

137

218

175

**Eskom**

66

121

151

186

67

Furniture

166

79

56

23

35

**Government**

103

112

89

54

33

Hairdressing

233

166

213

274

355

**Jewellers and goldsmiths**

42

83

64

17

3

Local authority undertakings

137

212

178

173

122

**Metal**

1 092

1 989

1 720

1 585

266

**Mining**



299

858

1 159

1 127

973

**Motor**

810

358

798

1 092

1 263

Printing

103

221

192

179

60

**Sugar manufacturing/ refining**

27

38

27

16

28

Textile

0

0

0

9

10

**Transnet**

233

223

312

182

139

Tyre and rubber

3

12

0

0

0

## **Total**

3 960

5 235

5 529

5 593

3 957

*Source:* Department of Labour

a

Carbonated soft drinks is a new category which was added in 1997.

b

Previously called explosiv

## **Higher Education Awards**

In 1996 a total of 85 985 degrees, diplomas, and certificates were awarded by universities and technikons in South Africa, compared with 76 791 in 1995 (an increase of 12%). (These were the latest available figures at the time of writing.) Some 22% of awards at universities and technikons in 1996 were made in education, 16% in commerce, 8% in health sciences, and 7% in public administration. Only 4% of all awards made were in life and physical sciences, and 1% in mathematics. Overall, 75% of all diplomas, degrees and certificates were awarded in the human sciences and 25% in the natural sciences.

Between 1992 and 1996 the total number of awards made by universities and technikons increased by 29%. In the same period awards in public administration increased the most, by 179%. However, awards in engineering and engineering technology dropped by 6%, while those in industrial arts, trades, and technology dropped by 12%.

The table below shows the number of degrees, diplomas, and certificates awarded by universities and technikons in 1992, 1995, and 1996.<sup>19</sup> [19 Information provided by the Department of Education, January 1999; 1997/98 Survey, p132]

***Degrees, diplomas, and certificates awarded by universities and technikons: 1992, 1995 and 1996***

1992

1995

1996<sup>a</sup>

Increase (decrease) 1992–96

**Agriculture and renewable natural resources**

1 042

997

1 215

17%

**Architecture and environmental design**

1 290

1 150

1 322

2%

**Business, commerce, and management sciences**

11 273

13 283

13 913

23%

**Communication**

738

746

768

4%

Computer science and data processing

1 466

1 558

1 697

16%

**Education**

12 675

16 548

19 005

50%

Engineering and engineering technology

5 450

4 863

5 110

(6%)

**Health care and health sciences**

5 486

6 029

6 772

23%

Home economics

796

738

728

(9%)

**Industrial arts, trades, and technology**

260

179

230

(12%)

Languages, linguistics, and literature

3 678

3 847

5 722

56%

**Law**

4 110

3 868

5 097

24%

Libraries and museums

511

431

579

13%

**Life and physical sciences**

3 293

2 791

3 577

9%

Mathematical sciences

858

816

1 010

18%

**Military sciences**

3

2

0

(100%)

Philosophy, religion, and theology

1 080

1 279

1 681

56%

**Physical and health education and leisure**

405

365

469

16%

Psychology<sup>b</sup>

—

3 527

4 020

N/A

**Public administration and social services**

2 113



7 190

5 896

179%

Social sciences and studies

8 688

5 362

5 888

(32%)

Visual and performing arts

1 290

1 222

1 290

0%

**Total<sup>c</sup>**

66 506

76 791

85 985

29%

*Source:* Department of Education

a

Figures for 1996 exclude the University of the North West and Technikon Natal. Figures for 1992 and 1996 are therefore not strictly comparable.

b

Psychology degrees, diplomas, and certificates awarded in 1992 were included under social sciences. No comparison is therefore possible with 1996 figures.

c

Figures should add up but m

Universities awarded about 78% of the total degrees, diplomas, and certificates in 1996, compared with 74% the previous year.

The graph below shows the degrees, diplomas, and certificates awarded by universities and technikons in 1996.

The following table shows the total number of degrees, diplomas, and certificates awarded by universities and technikons in 1996, according to race:<sup>20</sup> [<sup>20</sup> Information provided by the Department of Education, January 1999]

***Degrees, diplomas, and certificates awarded by universities and technikons by race: 1996<sup>a</sup>***

African

Coloured

Indian

White

***Total***

*Ratio of white to African*

Agriculture and renewable natural resources

332

29

5

849

**1 215**

2.6:1

Architecture and environmental design

210

67

62

983

**1 322**

4.7:1

Business, commerce, and management sciences

3 046

609

876

9 382

**13 913**

3.1:1

Communication

208

38

47

475

**768**

2.3:1

Computer science and data processing

269

88

160

1 180

**1 697**

4.4:1

Education

14 955

871

781

2 398

**19 005**

0.2:1

Engineering and engineering technology

1 036

336

333

3 405

**5 110**

3.3:1

Health care and health sciences

2 418

471

563

3 320

**6 772**

1.4:1

Home economics

143

40

49

496

**728**

3.5:1

Industrial arts, trades, and technology

13

13

6

198

**230**

15.2:1

Languages, linguistics, and literature

3 954

164

169

1 435

**5 722**

0.4:1

Law

1 621

340

418

2 718

**5 097**

1.7:1

## Libraries and museums

301

37

30

211

**579**

0.7:1

## Life and physical sciences

885

246

303

2 143

**3 577**

2.4:1

## Mathematical sciences

211

42

81

676

**1 010**

3.2:1

## Military sciences

0

0

0

0

**0**

–

## Philosophy, religion, and theology

821

99

49

712

**1 681**

0.9:1

## Physical and health education, and leisure

44

21

20

384

**469**



8.7:1

## Psychology

1 177

237

266

2 340

**4 020**

2.0:1

## Public administration and social services

3 074

419

377

2 026

**5 896**

0.7:1

## Social sciences and studies

2 658

339

431

2 460

**5 888**

0.9:1

Visual and performing arts

146

53

48

1 043

**1 290**

7.1:1

**Total<sup>b</sup>**

37 523

4 559

5 069

38 834

85 985

1.0:1

***Subtotal: Human sciences***

**32 006**

3 228

3 509

25 587

64 330

0.8:1

***Subtotal: Natural sciences***

**5 517**

1 331

1 560

13 248

21 656

2.4:1

*Source:* Department of Education

a

Figures exclude graduates from the University of the North West and Technikon Natal.

b

Figures should add up but ma

Of the total number of degrees, diplomas, and certificates awarded in 1996, 45% went to whites (down from 53% in 1995), while 44% went to Africans (up from 35% in 1995). Some 6% went to Indians (up one percentage point) and 6% to coloured people (unchanged from 1995).

The table below shows how the racial composition of these degrees, diplomas, and certificates changed from 1991 to 1996. (Note that figures for various years were incomplete as individual higher education institutions failed to provide information on the number of degrees, diplomas, and certificates awarded. However, the table gives a reliable indication of trends over time).<sup>21</sup> [<sup>21</sup> Ibid; 1997/98 Survey, p134]

***Proportional breakdown of degrees, diplomas and certificates awarded by universities and technikons by race:  
1991–96<sup>a</sup>***

*Year*

African

Coloured

Indian

White

1991

23.7%

6.7%

5.6%

64.0%

1992

25.6%

6.7%

5.6%

62.0%

1993

26.9%

6.0%

6.0%

61.1%

1994

30.3%

5.8%

7.6%

56.3%

1995

35.2%

5.7%

6.2%

53.0%

1996<sup>b</sup>

43.6%

5.3%

5.9%

45.2%

*Source:* 1997/98 Survey; Department of Education

*a*

Figures should add up horizontally but may not, owing to rounding. Figures for 1991–94 exclude higher education institutions in the former ‘independent’ homelands.

*b*

Figures for 1996 exclude the University of the North West and Technikon Natal.

Between 1991 and 1996, total awards obtained by Africans increased by 154%, while total awards to whites dropped by 3%. In 1991 Africans obtained 24% of all awards in South Africa, and in 1996 they obtained 44%. Whites obtained 64% of all awards in 1991, and 45% in 1996.

The table below shows trends in tertiary awards from 1991 to

*Trends in tertiary awards: 1991–96<sup>a</sup>*

*Race*

Number of awards 1991

Proportion of total 1991

Number of awards 1996

Proportion of total 1996

Increase in number of awards 1991–96

Increase (decrease) 1991–96

African

14 798

24%

37 523

44%

22 725

153.6%

Coloured

4 190

7%

4 559

5%

369

8.8%

**Indian**

3 511

6%

5 069

6%

1 558

44.4%

**White**

40 013

64%

38 834

45%

(1 179)

(2.9%)

**Total**

62 512

100%

85 985

100%

23 473

37.5%

*Source:* 1997/98 Survey; Department of Education

a

Includes degrees, diplomas, and certificates awarded by universities and technikons in 1991 and 1996.

The graph below compares the proportion of degrees, diplomas and certificates awarded by universities and technikons by race in 1991

## EDUCATIONAL RESOURCES

### Finance

#### The Budget

In 1999/2000 an amount of R48.5bn was allocated to education in terms of the functional classification of the budget. The allocation amounted to 22.1% of the total budget (down from 22.4% in 1998/99) and 6.9% of gross domestic product (a marginal decrease of 0.2 percentage points from 1998/99).<sup>23</sup> [<sup>23</sup>

Department of Finance, *Budget Review 1999*, 17 February 1999]

Nominal education expenditure increased by an average 10.6% a year since 1995/96, mainly as a result of a rise in the number of pupils at schools. In terms of the medium-term expenditure framework (MTEF), which set out three-year spending plans for national and provincial governments, nominal expenditure on education would increase by an average 5.3% a year between 1998/99 and 2000/01.<sup>24</sup> [<sup>24</sup> Ibid] (See also chapter on *The Economy* for a breakdown of national and provincial expenditure on education.) The Department of Education said in 1998 that an annual *real* increase of 4% was required to achieve equity in education by 2008.<sup>25</sup> [<sup>25</sup> Wits EPU, *Quarterly Review of Education and Training in South Africa*, September to November 1998]



Some 89% of total education expenditure in 1999/2000 would go to personnel. In terms of the MTEF projections, personnel expenditure would drop marginally to 88% by 2001/02.<sup>26</sup> [26 Information provided by the portfolio committee on education, 11 March 1999] The high expenditure on personnel costs has often been cited as the reason for textbook and other shortages in provincial education departments.

### ***General and Further Education***

Pre-tertiary education is funded via the provincial governments (see also chapter on *The Economy*). In 1999/2000 the nine provinces allocated R39.5bn to education. This represented some 81% of total expenditure on education in the country. Some 88% or R34.7bn of provincial expenditure was allocated to public schools, private schools, and special schools.<sup>27</sup> [27 Information provided by Mr Hennie Swanepoel, Department of Finance, 12 May 1999]

### ***Higher Education***

Higher education institutions were funded via the national Department of Education. Funding to universities increased from R3.1bn in 1995/96 to R3.8bn in 1997/98 (by 26% over three years). Funding to technikons increased from R991m to R1.4bn over the same period (by 39%). According to the 1999 *Budget Review*, the latter increase was ‘in line with government’s policy to increase technological education and training’.<sup>28</sup> [28 Department of Finance, *Budget Review 1999*, 17 February 1999]

In March 1999 the minister of education, Professor Sibusiso Bengu, announced that three auditing firms had been appointed to do a forensic audit of six ‘cash-strapped’ universities—ie the universities of Fort Hare, Medunsa, the North, the North West, Transkei, and Zululand. At the time of writing it was estimated that the universities were collectively owed more than R700m in fees.<sup>29</sup> [29 *Business Day* 19 March 1999] Professor Bengu blamed the financial crisis on universities’ ‘non-adherence to basic financial management and accounting principles’. He stated further that higher education had to be paid for by the recipients and not by the state, although the state would assist needy students through the National Student Financial Aid Scheme.<sup>30</sup> [30 *Ibid* 12 March 1999]

### ***Financial Assistance to Students***

The number of students who received loans from the Tertiary Education Fund of South Africa (Tefsa) increased by 777% over a nine-year period, while the total amount allocated to assist needy students increased by 1 496%. In 1996 recipients of financial assistance passed 72% of the courses for which they were registered.<sup>31</sup> [31 *Hansard* (NA:Q) 7 col 1038, 22 April 1998]

The number of students needing financial aid for university or technikon would increase by 70 000 over ten years—to 123 000 in 2005 and 151 000 in 2010, according to a research team commissioned by the Department of Education.<sup>32</sup> [32 *Business Day* 4 February 1998]

Since 1994 the state has contributed R861m to Tefsa, while a total of R363m had been contributed by other donors.<sup>33</sup> [<sup>33</sup> The Education Foundation, *EduSource Data News*, October 1998]

In August 1998 a report published by the Department of Education explored the feasibility of three different options for student financial assistance, namely graduate tax, a payroll tax, and a national loan and bursary scheme. Although the report favoured the 'revenue-generating potential of tax-related instruments' it indicated that the appropriate political and administrative conditions for its introduction did not exist over the short to medium term. It proposed the conversion of Tefsa into a statutory body. The report recommended that loans be extended to college students as well as to university and technikon students.<sup>34</sup> [<sup>34</sup> Department of Education, *A Framework for a National Student Financial Aid Scheme*, August 1998]

The recommendations of the report were endorsed by the Council on Higher Education and approved by the cabinet. Legislation providing for the conversion of Tefsa into a statutory body would be introduced in the second half of 1999.<sup>35</sup> [<sup>35</sup> Department of Education, annual report 1998, p38]

## Schooling

### Pupil Enrolment

The following table shows the number of pupils enrolled at primary and secondary schools in 1997:<sup>36</sup> [<sup>36</sup> Information provided by Mr Christo Lombaard, Department of Education, 22 June 1999]

#### *Pupil enrolment by province: 1997<sup>a</sup>*

##### *Province*

Primary enrolments

Secondary enrolments

##### *Total enrolments*

##### *Proportion of total pupils<sup>b</sup>*

Primary/ secondary ratio

Eastern Cape

1 730 618

669 533

**2 400 151**

19.1%

2.6:1

Free State

494 519

278 045

**772 564**

6.7%

1.8:1

Gauteng

899 528

486 039

**1 385 567**

11.8%

1.9:1

KwaZulu-Natal

1 945 390

886 109

**2 831 499**

22.6%

2.2:1

Mpumalanga

576 330

291 933

**868 263**

7.7%

2.0:1

North West

602 739

326 483

**929 222**

7.9%

1.8:1

Northern Cape

129 923

56 185

**186 108**

1.7%

2.3:1

Northern Province

1 133 439

660 830

**1 794 269**

15.0%

1.7:1

Western Cape

576 493

278 184

**854 677**

7.5%

2.1:1

Unknown

2 316

2 025

**4 341**

0.0%

1.1:1

**Total**

8 091 295

3 935 366

12 026 661

100%

2.1:1

*Source:* Department of Education

a

Excluding independent schools.

b

Figures should add up but may not, owing to rounding.

The table below shows the proportion of pupils by race and

***Pupils by race as a proportion of provincial enrolment: 1997***

*Province*

African

Coloured

Indian

White

Other

***Total<sup>a</sup>***

Eastern Cape

92%

5%

0%

2%

0%

**100%**

Free State

89%

3%

0%

8%

0%

**100%**

Gauteng

70%

5%

2%

21%

0%

**100%**

KwaZulu-Natal

89%

1%

7%

3%

0%

**100%**

Mpumalanga

93%

1%

0%

6%

0%

**100%**

North West

94%

1%

0%

4%

0%

**100%**

Northern Cape

32%



55%

0%

10%

2%

**100%**

Northern Province

99%

0%

0%

1%

0%

**100%**

Western Cape

20%

55%

1%

8%

17%

**100%**

South Africa

83%

7%

2%

6%

2%

100%

Source: Department of Education

a

Figures should add up but may not, owing to

The following chart illustrates the racial composition of all pupils in public schools in 1997:

In 1998 the Department of Education said that some 4m or 35% of all pupils enrolled at school were either under or over-age. There was a 66% over-enrolment in grade 1 and 25% in grade 2. The problem of over-enrolment lay mainly in under-age enrolment and high repeater rates. Over-enrolment in grade 1 was particularly acute in rural areas where parents enrolled pupils at a young age because of the shortage of child-care facilities. (Some 20% of all five-year olds were enrolled in grade 1.) Some 15% of pupils in grade 2 repeated the year. Only 50% of pupils in grade 8 and 40% of pupils in grade 12 were the 'correct age'. According to the department, it would save R1.4bn annually (3.5% of the total current costs of the schooling system) by increasing the entrance age in grade 1. (In terms of legislation passed in 1998 the entrance age of pupils in grade one was increased to seven.)<sup>38</sup> [38 Information provided by the Department of Education, November 1998] (See *Government notices* below.)

## Provision of Schools and Facilities

### *Number and Type of Schools*

The table below shows the number of schools by type of school and by province in 1997.<sup>39</sup> [39 Information provided by Mr Christo Lombaard, 22 June 1999]

#### *Number of schools by province: 1997<sup>a</sup>*

*Province*

Primary schools

Secondary schools

Combined schools<sup>a</sup>

Undefined

***Total***

Eastern Cape

2 930

850

2 555

0

**6 335**

Free State

2 243

240

279

14

**2 776**

Gauteng

1 279

446

173

19

**1 917**

KwaZulu-Natal

3 737

1 289

341

0

**5 367**

Mpumalanga

1 315

322

189

3

**1 829**

North West

1 535

308

477

0

**2 320**

Northern Cape

104

191

66

136

**497**

Northern Province

2 583

1 287

82

71

**4 023**

Western Cape

1 257

278

187

0

**1 722**

Undefined

84
44
2
21
<b>151</b>
Total
17 067
5 255
4 351
264
26 937

*Source:* Department of Education

a

Excluding independent schools.

In 1997 most schools (72%) were uni-racial, while 28% of schools were multi-racial. About 95% of uni-racial schools had only African pupils. The Department of Education said that migration of learners into previously coloured, Indian and white schools contributed to the low number of uni-racial schools containing learners from these population groups. The table below shows the number of unand multi-racial schools in 1997 b

***Uni- and multi-racial schools by province: 1997<sup>a</sup>***

*Province*

Number of uni-racial schools

## Proportion

Number of multi-racial schools

## Proportion

Eastern Cape

4 990

92%

451

8%

Free State

2 109

76%

649

24%

Gauteng

978

52%

918

48%

KwaZulu-Natal

4 604

86%

748

14%

### Mpumalanga

1 414

78%

409

22%

### North West

1 456

75%

486

25%

### Northern Cape

197

44%

248

56%

### Northern Province

3 829

95%



193

5%

Western Cape

863

54%

745

46%

**South Africa<sup>b</sup>**

20 440

72%

4 847

28%

*Source:* Department of Education

a

Excluding independent schools.

b

Some 1 500 schools did not provide information on whether they were uni- or mu

### ***Pupil/classroom Ratios***

At the time of writing no new information was available on pupil/classroom ratios (see 1997/98 Survey, p146).

### ***Provision of Textbooks***

In February 1999 it was reported that all nine provincial education departments had experienced problems in supplying textbooks to all schools. According to *The Star*, only 77% of textbooks had been delivered—although the rate of delivery ranged from a high 95% in Gauteng to 56% in the Northern Cape.<sup>41</sup> [<sup>41</sup> *The Star* 22 February 1999]

The textbook problems were blamed on:<sup>42</sup> [<sup>42</sup> *Ibid*]

- the late submission of orders by the departments;
- the awarding of tenders to companies with little publishing experience; and
- the inability of printers to deal with printing orders at a late stage.

The failure to provide enough textbooks occurred despite a promise by the president, Mr Nelson Mandela, to provide books to all schools within the first week of the 1999 school year and the provision of R200m for textbooks in November 1998.<sup>43</sup> [<sup>43</sup> *Ibid*] The R200m was used to provide materials for grades 1, 2, and 12, while ordinary provincial allocations were used to top up supplies for other grades.<sup>44</sup> [<sup>44</sup> *The Citizen* 24 February 1999]

The amount spent on textbooks declined from R900m in 1995/96 to R160m in 1997/98. The projected budget for 1998/99 was between R280 and R340m, and for 1999/2000 some R212m.<sup>45</sup> [<sup>45</sup> *Financial Mail* 2 October 1998] The projected shortfall for 1999/2000 was R443m, out of a total estimated textbook cost of R855m.<sup>46</sup> [<sup>46</sup> *Sunday Times* 22 November 1998] One of the reasons for the drop in spending on textbooks was high personnel costs, which consumed 89% of total education expenditure in 1999/2000.<sup>47</sup> [<sup>47</sup> Information provided by the portfolio committee on education, 11 March 1999]

## **Private Schooling**

### ***Independent Schools***

In 1998 there were 836 independent schools in eight of the provinces (no data were available for the Northern Province), according to Professor Bengu. The table below shows the number of independent schools and pupils in these schools at the end of 1997 or start of 1998.<sup>48</sup> [<sup>48</sup> *Hansard* (NCOP:Q) 5 col 432, 29 June 1998]

#### ***Number of independent schools and pupils<sup>a</sup>***

##### ***Province***

Number of schools

Number of pupils

Eastern Cape

69<sup>b</sup>

14 233<sup>b</sup>

Free State

45

11 224

Gauteng

313

117 581

KwaZulu-Natal

218

54 602

Mpumalanga

65

7 064

North West

27

8 322

Northern Cape

17

2 328

Northern Province

N/A

N/A

Western Cape

82

20 859

**Totalc**

836

236 213

*Source:* Hansard, 29 June 1998

a

Some provinces provided data for the end of 1997, while others provided data for the beginning of 1998.

b

Includes independent preprimary schools. However, the number of pupils refers only to primary and secondary schools. Some 1 097 pupils were enrolled in independent preprimary schools in 1997.

c

Excluding the Northern Province

N/A – No

The number of schools registered with the Independent Schools Council increased by 99% between 1995 and 1997 to 290 schools. This included independent schools in Namibia, Botswana and Swaziland.<sup>49</sup> [49 Information provided by Mrs Jean James-Smith, Independent Schools Council, 16 June 1997]

## Teachers

### *Teacher Numbers*

The table below shows the total number of teachers in 1997.<sup>50</sup> [50 Information provided by Mr Christo Lombaard, 22 June 1999]

#### *Teacher numbers by province and level: 1997<sup>a</sup>*

*Province*

Primary

Secondary

Unspecified

***Total***

*Proportion of total*

Eastern Cape

N/A

N/A

N/A

**70 055**

19.3%

Free State

14 496

8 675

467

**23 638**

6.5%

Gauteng

25 534

17 613

526

**43 673**

12.1%

KwaZulu-Natal

49 093

27 457

1 089

**77 639**

21.4%

Mpumalanga

14 774

8 670

376

**23 820**

6.6%

North West

18 714

12 676

221

**31 611**

8.7%

Northern Cape

4 297

2 225

117

**6 639**

1.8%

Northern Province

31 231

22 249

455

**53 935**

14.9%

Western Cape

23 530

7 748

0

**31 278**

8.6%

**South Africa<sup>a</sup>**

181 669

107 313

3 251

362 288

100%

*Source:* Department of Education

a

Figures are based on the annual schools survey. Figures from Persal, the state personnel and salary administration system, are somewhat higher than the annual schools survey. Excluding teachers paid by governing bodies or privately paid.

N/A – Not available.

The following table shows a proportional distribution of teachers by province a

***Teachers by province and by race: 1997***

*Province*

African



Coloured

Indian

White

Unspecified

Eastern Cape

N/A

N/A

N/A

N/A

N/A

Free State

80%

2%

0%

16%

2%

Gauteng

53%

6%

3%

37%

1%

### KwaZulu-Natal

77%

2%

13%

8%

0%

### Mpumalanga

85%

1%

1%

13%

1%

### North West

89%

1%

1%

8%

1%

## Northern Cape

24%

47%

0%

21%

9%

## Northern Province

96%

0%

0%

3%

1%

## Western Cape

12%

60%

1%

24%

4%

## South Africa<sup>a</sup>

71%

9%  
4%  
14%  
1%

Source: Department of Education

a

Figures should add up but may not, owing to rounding. Excluding the Eastern Cape.

N/A – Not

In 1997, 63% of all teachers in South Africa were women and 36% were men. Most teachers spoke isiZulu as their home language (25%), followed by Afrikaans (18%), Sepedi (14%), and English (11%).

### ***Teacher Qualifications***

In 1998 an estimated 26% of all teachers were considered uor underqualified compared with 36% in 1994, according to The Education Foundation. The table below shows the number of qualified teachers and the number who were considered uor underqualified (ie having less than a senior certificate and a three-year teaching qualification):<sup>52</sup> [52 Information provided by The Eduction Foundation, 4 December 1998]

#### ***Teacher qualifications: 1998***

*Province*

Number of teachers<sup>a</sup>

Number qualified

Proportion qualified

Number un- or under- qualified

Proportion un- or under-qualified

Eastern Cape

67 823

47 023

69%

20 800

31%

Free State

24 083

16 581

69%

7 502

31%

Gauteng

43 999

38 495

87%

5 504

13%

KwaZulu-Natal

74 764

49 503

66%

25 261

34%

**Mpumalanga**

25 360

18 413

73%

6 947

27%

**North West<sup>b</sup>**

29 514

19 265

65%

10 249

35%

**Northern Cape**

6 875

5 463

79%

1 412

21%

**Northern Province**

57 099

44 889

79%

12 210

21%

**Western Cape**

28 192

24 437

87%

3 755

13%

**South Africa**

357 709

264 069

74%

93 640

26%

*Source:* The Education Foundation

a

Figures are based on the 'best estimate' of the number of teachers. However, figures may change from month to month. The proportions are nevertheless accurate.

b

Figures are for 1997

However, an estimate by the chief director of labour relations in the Department of Education, Mr Duncan Hindle, showed that there were 112 000 unand underqualified teachers in South Africa (20% more than The Education Foundation estimate of 93 640). The difference in figures can be ascribed to different databases used to calculate numbers.<sup>53</sup> [<sup>53</sup> *Business Day* 10 March 1999] The Department of Education said in December 1998 that it would embark on a three-year programme (1999–2001) to improve the qualifications of hundreds of unqualified and underqualified teachers—especially those trained in the former

### ***Pupil/teacher Ratios***

The table below shows the overall pupil/teacher ratios for 1995 and 1997 (provinces determined their own ratios based on their education budgets).<sup>55</sup> [<sup>55</sup> Information provided by Mr Christo Lombaard, 22 June 1999]

#### ***Pupil/teacher ratios by province: 1995 and 1997***

*Province*

Primary ratio 1997

Secondary ratio 1997

Overall ratio 1997

Overall ratio 1995

Eastern Cape

N/A

N/A



34.3:1

32.5:1

Free State

34.1:1

32.1:1

32.7:1

33.3:1

Gauteng

35.2:1

27.6:1

31.7:1

29.6:1

KwaZulu-Natal

39.6:1

32.3:1

36.5:1

36.0:1

Mpumalanga

39.0:1

33.7:1

36.5:1

36.4:1

## North West

32.2:1

25.8:1

29.4:1

30.4:1

## Northern Cape

30.2:1

25.3:1

28.0:1

27.3:1

## Northern Province

36.3:1

29.7:1

33.3:1

36.7:1

## Western Cape

24.5:1

35.9:1

27.3:1

26.0:1

## **South Africa**

34.9:1

30.4:1

33.2:1

34.2:1

*Source:* Department of Education

N/A – Not

## ***Teacher Supply and Redeployment***

In November 1998 the Department of Education and the three major education unions reached agreement on the redeployment of teachers to schools which had shortages. Provincial departments would determine the staff complement of each school based on pupil numbers and curriculum needs.<sup>56</sup> [<sup>56</sup> *Business Day* 17 February 1999] At the time of writing no comprehensive statistics were available on the redeployment of teachers.

A total of 21 165 severance packages were granted to teachers in the period May 1996 to March 1998. The total cost was R990m (excluding the North West Department of Education). The average pay-out per teacher was R46 790, although it varied from R10 414 to R79 560. Some 8 000 (38%) of the vacated posts had been filled by March 1998.<sup>57</sup> [<sup>57</sup> *Hansard* NA (Q:A), 11 cols 1635–1636, 25 May 1998] At the time of writing the provinces were still identifying teachers in excess and setting out the requirements for the filling of vacant positions.<sup>58</sup> [<sup>58</sup> Information provided by the portfolio committee on education. 18 March 1999]

## **Technical Training and Apprenticeships**

### **Enrolment at Technical Colleges**

The table below shows enrolment at technical colleges in the period 1987–95. Since 1995 the Department of Education has not collected any data on enrolments at technical colleges.<sup>59</sup> [<sup>59</sup> Personal communication with Ms S Sooklal, Department of Education, 13 March 1999, 1997/98 *Survey*, p161]

### ***Enrolment at technical colleges: 1987–95<sup>a</sup>***

*Year*

Number enrolled

Increase (decrease)

1987

54 078

N/A

1988

58 795

8.7%

1989

65 374

11.2%

1990

72 174

10.4%

1991

76 435

5.9%

1992

89 933

17.7%

1993

93 044

3.5%

1994

91 974

(1.1%)

1995<sup>b</sup>

154 688

N/A

*Source:* 1997/98 Survey; Department of Education

a

Figures for 1987–94 exclude the former ‘independent’ homelands.

b

1995 figures are not comparable with earlier figures, as they include the ‘independent’ homelands.

N/A – Not available.

At the time of writing the department was investigating the establishment of a database to capture information on technical

## **Vocational Training and Apprenticeship**

In 1998, 19 380 apprenticeship contracts were in operation—a decrease of 1% from 1997. The single largest proportion of contracts (24%) was in the mining industry, followed by the metal industry (22%). From 1994 to 1998 the number of apprenticeship contracts in operation dropped by 12% from 22 015 to

19 380.61 [61 Information provided by the Department of Labour. 29 June 1999]

The following table shows the number of apprenticeship contracts in operation by industry from 1994 to 1998:<sup>62</sup> [62 Ibid]

***Apprenticeship contracts in operation: 1994–98***

*Industry*

1994

1995

1996

1997

1998

**Aerospace**

208

123

67

126

138

**Automobile**

577

596

601

589

789

**Building**

582

500

466

398

316

Carbonated soft drink<sup>a</sup>

0

0

0

12

14

**Chemical, oil, allied industries<sup>b</sup>**

125

84

84

113

172

Dairy

0

0

0

2

5

**Diamond cutting**

3

3

3

3

3

Electrical contracting

479

520

494

413

408

**Eskom**

689

643

582



408

356

Furniture

322

256

263

325

309

**Government**

286

288

256

241

247

Hairdressing

823

928

1 099

1 246

1 201

**Jewellers and gold smiths**

93

64

16

16

18

Local authority undertaking

447

399

327

439

428

**Metal**

6 988

5 960

5 446

4 397

4 331

**Mining**

4 473

5 039

4 636

4 863

4 591

**Motor**

4 173

4 651

5 011

4 733

3 941

Printing

751

448

394

472

408

**Sugar manufacturing and refining**

74

60

67

101

967

Textile

30

48

56

60

75

**Transnet**

876

760

568

647

654

Tyre and rubber

16

9

9

9

9

**Total**

22 015

21 379

20 445

19 613

19 380

*Source:* Department of Labour

a

Carbonated soft drinks is a new category which was added in 1997.

b

Previously called explosives and allied industri

The minister of labour, Mr Tito Mboweni, ascribed the decline in the number of apprentices to companies' unwillingness to 'indenture new apprentices when times are tough'. The apprenticeship system had been too rigid to keep up with new technological requirements and had become outdated. Furthermore, the tax incentive scheme which encouraged investment in training had been removed. However, the Skills Development Act of 1998 would introduce a new system of 'learnerships' targeting blue-collar workers, as well as workers in the agricultural, mining, manufacturing, and service sectors (see *Legislation* below). Learnerships would be available at a range of levels—some equivalent to further education and training and others to higher education and training on the National Qualifications Framework (see 1996/97 Survey, p222).<sup>63</sup> [<sup>63</sup> *Hansard* (NA:Q) 11 cols 1735-1736, 27 May 1998]

## Higher Education

### Enrolment at Teacher Training Colleges

In 1997 there were 78 colleges of education in South Africa, almost half of which were in the Eastern Cape (20) and KwaZulu-Natal (18), according to a survey conducted by the Department of Education. A total of 43 642 full-time and 38 491 distance or part-time students were enrolled at these colleges. In 1996, 20 578 students qualified as teachers. However, the minister of education, Professor Sibusiso Bengu, said in November 1998 that the number of colleges would probably be reduced to 17, while 28 would provide only in-service training. Many of the colleges would be incorporated into universities and technikons.<sup>64</sup> [<sup>64</sup> *Beeld* 24 November 1998] The rationalisation process was expected to be completed in

1999.65 [65 Department of Education, annual report 1998, p39]

The following table gives an overview of the number of students, the number of graduates, and the number of staff at teacher training colleges in 1996, 1997, and 1998 (the most recent figures available):<sup>66</sup> [66 Department of Education, *Colleges of Teacher Education and Training Annual Survey 1997*, 17 April 1998. *Hansard* (NCOP:Q) 4cols311-312, 21 May 1998]

***Number of students, graduates, and staff at teacher training colleges by province: 1996–98***

Number of colleges 1997<sup>a</sup>

Enrolment

Graduates

Number of staff

Province

1997<sup>b</sup>

1998<sup>c</sup>

1996

1997<sup>d</sup>

Eastern Cape

20

8 758

6 420

3 187

2 975

693

Free State

8

5 890

4 388

1 280

512

386

Gauteng

8

2 938

874

3 090

2 817

383

KwaZulu-Natal

18

10 959

8 186

7 545

5 669

914

### Mpumalanga

4

3 325

1 680

775

1 977

238

### North West

7

3 529

1 779

1 494

1 404

425

### Northern Cape

1

594

210

326



417

47

Northern Province<sup>a</sup>

8

6 501

8 000

1 188

5 200

484

Western Cape

4

2 231

287

1 693

820

250

**Total<sup>e</sup>**

78

44 725

31 824

20 578

21 791

3 820

*Source:* Department of Education

a

The number of teacher training colleges in the Northern Province would be cut to four in 1999 so as to reduce the number of teachers qualifying in the province

b

Figures are for full-time students. In 1997 there were 38 491 part-time students.

c

The Department of Education did not specify whether figures included full-time students only, or also part-time students.

d

No figures were available on the number of colleges or graduates in 1998, but it was common knowledge that both numbers had dropped 'significantly' from 1997.

e

Totals as calculated by the South African Institute of Race Relations.

67 [<sup>67</sup> *Business Day* 18 January 1999] 68 [<sup>68</sup> Information provided by Mr M Loots, Department of Education, 15 March 1999]

Of the 20 578 students who qualified in 1996, 65% obtained a primary school qualification, 20% a secondary school qualification, 6% an early childhood development qualification (preprimary), and 9% a combination of adult basic education and further diplomas in education, in special and in techn

## **Enrolment at Universities and Technikons**

The public higher education sector consisted of 21 universities and 15 technikons in 1999. As from April

1999 all higher education institutions were required to register with the Department of Education.<sup>70</sup> [70 Information provided by Dr Paul Beezhold, Department of Education, April 1999] Legal steps would be taken against non-registered private higher education institutions as from 1st January 2000. At the time of writing some 100 higher education institutions had applied for registration, while five institutions were conditionally registered. In order to register, the institutions had to be financially sustainable, recognised in their country of origin, and accredited by the South African Qualifications Authority. No figures were available on the total number of higher education institutions in the country or on students in them.<sup>71</sup> [71 Department of Education, annual report 1998, p42; *Business Day* 12 July 1998]

The table below shows the increase in the total number of students enrolled at public universities and technikons from 1985 to 1998.<sup>72</sup> [72 1997/98 *Survey*, p 166; The Education Foundation, *EduSource Data News*, October 1998]

***University and technikon enrolment: 1985–98<sup>a</sup>***

University enrolment

Technikon enrolment

***Total public tertiary enrolment***

Year

Number

Increase (decrease)

Number

Increase (decrease)

1985

211 756

N/A

59 118

N/A

**270 874**

1986

233 625

10.3%

43 490

(26.4%)

**277 115**

1987

250 243

7.1%

56 446

29.8%

**306 689**

1988

272 445

8.9%

56 815

0.7%

**329 260**

1989

286 359

5.1%

75 797

33.4%

**362 156**

1990

285 986

(0.1%)

92 721

22.3%

**378 707**

1991

323 889

13.3%

105 722

14.0%

**429 611**

1992

318 944

(1.5%)

113 870

7.7%

**432 814**

1993

329 892

3.4%

138 443

21.6%

**468 335**

1994

360 250

9.2%

167 885

21.3%

**528 135**

1995

385 221

6.9%

190 191

13.3%

**575 412**

1996

381 498

(1.0%)

183 310

(3.6%)

**564 808**

1997

372 845

(2.3%)

208 956

14.0%

**581 801**

1998

351 692

(5.7%)

250 244

19.8%

**601 936**

*Source:* 1997/98 Survey; The Education Foundation

a

Figures are preliminary.

N/A – Not available.

The following graph illustrates the increase in the number of enrolments at universities and technikon

Enrolments at tertiary institutions were expected to reach 650 000 by 2001, instead of a previously projected figure of 1.1m, according to a report published by the Department of Education in May 1999. The report ascribed the lower enrolment levels to, among other things, a declining number of pupils with matriculation exemption. The report found that the overall proportion of black students at public higher education institutions rose from 54% in 1993, to 69% in 1997, and would reach 73% in 2001. The number of black students was expected to double from 267 000 in 1993 to 499 000 in 2001. However, the overall proportion of white students dropped from 46% in 1993 to 31% in 1997 and would reach 27% in 2001. The number of white students was expected to drop from 229 000 in 1993 to 186 000 in 2001. The report attributed this drop to more white students' attending private higher education institutions and emigration.<sup>73</sup> [<sup>73</sup> *Cape Argus* 12 May 1999]

The following table illustrates public university enrolment by institution and race in 1998:<sup>74</sup> [<sup>74</sup> Information provided by various universities, 1998]

***University enrolment: 1998<sup>a</sup>***

*University*

African

Coloured

Indian

White

Unspecified

***Total***

Cape Town

4 296



2 130

1 040

8 292

0

**15 758**

Durban-Westville

5 747

106

2 865

116

25

**8 859**

Fort Hare

3 470

4

2

14

4

**3 494**

Free State

3 549

423

66

5 749

0

**9 787**

Medunsa<sup>b</sup>

2 925

39

612

109

4

**3 689**

Natal

5 735

410

5 654

4 457

32

**16 288**

North

10 567

13

15

12

0

**10 607**

North West

N/A

N/A

N/A

N/A

N/A

**6 513**

Port Elizabeth

3 625

723

216

2 866

0

**7 430**

Potchefstroom

6 027

449

155

7 711

0

**14 342**

Pretoria

5 765

262

668

18 881

0

**25 576**

Rand Afrikaans

11 286

533

532

9 660

0

**22 011**

Rhodes

1 633

213

505

2 696

0

**5 047**

Stellenbosch

752

1 766

224

13 080

0

**15 822**

Transkei

5 408

8

58

10

172

**5 656**

Unisa<sup>c</sup>

53 262

4 487

12 189

43 563

0

**113 501**

Venda

5 733

3

1

3

0

**5 740**

Vista

27 551

473

60

107

96

**28 287**

Western Cape

6 267

3 851

561

153

0

**10 832**

Witwatersrand

5 869

336

2 434

8 277

0

**16 916**

Zululand

5 403

14

36

84

0

**5 537**

Total

N/A

N/A

N/A

N/A

N/A

351 692

*Source:* The Education Foundation

a

Figures are preliminary.

b

Medical University of Southern Africa.

c

University of South Afri

Compared to 1997, university enrolment dropped by 6% in 1998. The drop in enrolment mostly affected historically disadvantaged universities. University enrolment has declined since 1995, when some 385 000 students were enrolled.

The majority of university students were African (51%), followed by white (36%), Indian (8%), and coloured students (5%).<sup>75</sup> [<sup>75</sup> The Education Foundation, *EduSource Data News*, October 1999]



The chief director of higher education planning at the Department of Education, Mr Ahmed Essop, said in March 1999 that black enrolment at traditionally Afrikaans universities grew at a faster rate than at traditionally English universities. By 2001 some 69% of students at Afrikaans universities were expected to be black (including Indians and coloured people)—compared with some 56% in 1993.<sup>76</sup> [<sup>76</sup> *Business Day* 17 March 1999]

The table below illustrates technikon enrolment by race and institution in 1998.<sup>77</sup> [<sup>77</sup> The Education Foundation. *EduSource Data News*, October 1998]

***Technikon enrolment: 1998<sup>a</sup>***

<i>Technikon</i>
African
Coloured
Indian
White
Unspecified
<b><i>Total</i></b>
Border
3 167
7
5
133
0
<b>3 312</b>
Cape

1 845

2 727

234

5 321

3

**10 130**

Eastern Cape

3 737

3

4

24

0

**3 768**

Free State

3 591

275

10

2 271

0

**6 147**

Mangosuthu

5 520

2

7

22

0

**5 551**

ML Sultan

5 828

124

3 566

212

0

**9 730**

Natal

5 818

259

1 498

2 477

0

**10 052**

North West

3 902

3

0

6

1

**3 912**

Northern Gauteng

8 562

9

5

6

352

**8 934**

Peninsula

4 605

2 912

58

191

22

**7 788**

Port Elizabeth

4 736

996

111

2 803

0

**8 646**

Pretoria

10 460

290

224

10 470

0

**21 444**

South Africa

87 635

6 578

3 830

27 423

162

**125 628**

Vaal Triangle

10 278

156

113

2 667

305

**13 519**

Witwatersrand

6 573

455

645

3 997

13

**11 683**

Total

166 257

14 796

10 310

58 023

858

250 244

*Source:* The Education Foundation

a

Figures are preliminary.

African students comprised 66% of all students enrolled at technikons, followed by white (23%), coloured (6%), and India

### **Staff Complement**

In 1998 there were some 45 181 people employed at universities and technikons (the figure was, however, not comparable to 1997 as the University of the North West and Technikon Natal had failed to provide information). Of these, 80% were classified as professional staff (including administrative and research staff) as illustrated in the table below.<sup>79</sup> [<sup>79</sup> Information provided by the Department of Education, January 1999]

#### ***Staff complement at higher education institution by race: 1998<sup>a</sup>***

*Universities*

African

Coloured

Indian

White

Other

Total

Professional staff<sup>b</sup>

1 979

393

598

10 781

1

13 752

Non-professional staff<sup>c</sup>

12 025

3 097

986

6 348

4

22 460

**Subtotal**

14 004

3 490

1 584

17 129

5

36 212



*Technikons*

Professional staff<sup>b</sup>

383

221

255

2 786

1

3 646

Non-professional staff<sup>c</sup>

2 598

642

268

1 813

2

5 323

**Subtotal**

2 981

863

523

4 599

3

8 969

Total universities and technikons

16 985

4 353

2 107

21 728

8

45 181

*Source:* Department of Education

a

Excludes the University of the North West and Technikon Natal.

b

Includes instruction and research professionals, executive and administrative professionals, and specialists or support professionals.

c

Includes technical staff, trades and service employees, and non-professional administrative staff.

In 1998 most staff (47% at universities and 51% at technikons) were white (down from 54% at universities and 57% at technikons in 1997). The proportion of African staff at universities increased from 35% to 39%, and from 28% to 33% at technikons. Coloured and Indian staff constituted less than 10% of all staff in

## Adult Education

More than 154 000 learners in adult basic education and training (Abet) centres run by the Department of Education were trained during 1998. However, the department noted that less than 1% of all provincial education spending went to Abet. In order to reach the department's target of 500 000 adult learners in state-run institutions by 2004, substantially higher levels of investment would be required.<sup>80</sup> [<sup>80</sup> Department of Education, annual report 1998, p 113]

An organisation focusing on adult education, Project Literacy, had reached 8 700 people in 1998 and aimed to reach an additional 7 000 pupils in 1999.<sup>81</sup> [<sup>81</sup> Information provided by Mr Andrew Miller, chief executive officer, Project Literacy, 24 March 1999] During the period under review, the National Literacy Co-operation (NLCC), an umbrella body of non-governmental organisations and community-based organisations working in Abet, was closed down. The main funder of the NLCC, the European Union, withdrew funding on the grounds of financial mismanagement and inadequate bookkeeping.<sup>82</sup> [<sup>82</sup> *Reconstruct* 28 November 1998] Major donors in the adult literacy field, such as the World University Service and the Joint Education Trust, either terminated or reduced funding during 1998.<sup>83</sup> [<sup>83</sup> *Khululekani (Official Newsletter of the Transitional National Development Trust)*, June 1998]

Some 2.1m people were enrolled in Abet classes in 1996 out of a potential 13m Abet learners, according to the 1996 census results. Abet classes were provided by various agencies, including government departments, private businesses and non-governmental organisations. The following table shows the number of people enrolled in Abet classes in 1996 (the latest year for which figures were available), as well as the potential number of Abet learners in each province.<sup>84</sup> [<sup>84</sup> Information provided by Mr Noel Daniels, Department of Education, 8 May 1999]

***Number of Abet learners and potential learners in 1996<sup>a</sup>***

*Province*

Number of Abet learners

Potential Abet learners<sup>b</sup>

Actual learners as proportion of potential

Eastern Cape

464 280

2 128 644

22%

## Free State

171 396

977 595

18%

## Gauteng

223 131

1 951 301

11%

## KwaZulu-Natal

450 855

2 653 792

17%

## Mpumalanga

175 007

925 795

19%

## North West

189 601

1 207 237

16%

## Northern Cape

30 157

308 512

10%

## Northern Province

324 715

1 401 558

23%

## Western Cape

100 013

1 168 100

9%

## **Total**

2 129 155

12 722 534

17%

*Source:* Department of Education

a

All figures are for learners aged 16–65.

b

Refers to adults without a general education and therefore ‘potential’ Abet

# LEGISLATION

## Statutes

### Further Education and Training Act of 1998

The Further Education and Training Act of 1998 provided for the establishment (including the closure and merger), funding, and governance of further education and training institutions (grades 10–12). All public and private higher education institutions were required to register with the Department of Education. The act set out provisions for quality assurance and quality promotion in further education and training. The National Board for Further Education and Training would advise the minister on quality assurance and promotion issues.<sup>85</sup> [<sup>85</sup> *Government Gazette* no 19421, 2 November 1998]

### Skills Development Act of 1998

The Skills Development Act of 1998 aimed to improve the skills of the South African workforce. The act provided for the following:<sup>86</sup> [<sup>86</sup> *Ibid*]

- the establishment of a national skills authority which would advise the minister on policy and strategy. The authority would replace the National Training Board;
- the establishment of sector education and training authorities (Setas) for various economic sectors, which would monitor education and training. The Setas would replace the former industry training boards;
- the establishment of learnerships (incorporating traditional apprenticeships) which would lead to registered qualifications. Learnerships would consist of a structured learning component and practical work experience;
- the establishment of a national skills fund, which would receive 20% of skills development levies contributed by all employers (including the public sector). Employers would contribute 1% of personnel costs. The fund would be responsible for funding projects identified in a national skills development strategy as a national priority; and
- the establishment of labour centres to provide employment services for workers and work-seekers.

### Skills Development Levies Act of 1999

The Skills Development Levies Act of 1999 was a money bill making it compulsory for companies to pay 1% of their payroll as a levy to fund skills training. The act goes hand in hand with the Skills

Development Act, except that it deals with the financial aspect thereof. The levy would be introduced at 0.5% of payroll in 2000, rising to 1% in 2001.<sup>87</sup> [<sup>87</sup> *Business Day* 17 March 1999]

## **Employment of Educators Act of 1998**

The Employment of Educators Act of 1998 provided for a single law to govern the employment of teachers (including their appointment, promotion, transfer, and termination of employment), conditions of service, and discipline. The act consolidated 16 education acts and four education ordinances which previously regulated their employment.<sup>88</sup> [<sup>88</sup> *Government Gazette* no 19320, 2 October 1998]

In terms of the act the minister of education would be the employer of all teachers in the public service for the purposes of determining salaries and conditions of service. For all other purposes the director general would be considered the employer. However, the act retained the right of governing bodies to interview and recommend teachers for employment in each school. The act also formally established the South African Council of Educators, which would, among other things, register all teachers and establish a code of professional ethics. It was made compulsory for all teachers to be registered with the council in order to teach.<sup>89</sup> [<sup>89</sup> *Ibid*]

## **Regulations**

The section below provides a list of selected regulations and notices passed in terms of national legislation which would affect education.

### **Regulations Under the South African Qualifications Authority Act of 1995**

Regulations under the South African Qualifications Authority Act of 1995 provided for the establishment of a national qualifications framework. It set out the requirements for the registration of national standards and qualifications. The regulations further provided for the establishment of national standards bodies and standards generating bodies.<sup>90</sup> [<sup>90</sup> *Government Gazette* no 18787, No R 452, 28 March 1998]

## **Government Notices**

### **Guidelines for the Consideration of Governing Bodies in Adopting a Code of Conduct for Learners**

In May 1998 Guidelines for the Consideration of Governing Bodies in Adopting a Code of Conduct for Learners were gazetted in terms of the South African Schools Act of 1996.<sup>91</sup> [<sup>91</sup> *Ibid*, no 18900, Notice 776 of 1998, 15 May 1998] The code of conduct would inform learners of their rights and responsibilities. The act set out communication channels, grievance procedures and due process in conducting a fair hearing. Offences that could lead to suspension, as well as other corrective measures which could be used by

schools, were listed in the act.

## **National Norms and Standards for School Funding**

National Norms and Standards for School Funding were published in October 1998 in terms of the South African Schools Act of 1996.<sup>92</sup> [<sup>92</sup> Ibid, no 19347, Notice 2362 of 1998, 12 October 1998] The norms and standards dealt with the public funding of schools, exemption for parents unable to pay school fees, and public subsidies to schools. The norms in essence required wealthier schools to contribute more financially to the running costs of schools than schools in poorer communities.

No pupil could be refused access to a school based on his or her parents' inability to pay. Independent schools registered with provincial education departments which did not operate for profit, had a senior certificate pass rate of more than 50%, and had repetition rates of below 20% in grades 11 and 12 qualified for subsidies. Subsidies would be granted on a sliding scale, based on annual school fees. Private schools charging in excess of 2.5 times the provincial average cost per pupil in an ordinary public school would not qualify for a subsidy.

## **Admission Policy for Ordinary Public Schools**

The Admission Policy for Ordinary Public Schools was published in October 1998 in terms of the National Education Policy Act of 1996.<sup>93</sup> [<sup>93</sup> Ibid, no 19377, Notice 2432 of 1998, 19 October 1998] The admission policy provided a framework to all provincial education departments and governing bodies for developing an admission policy. It prohibited discrimination in the admission of pupils. However, preference could be given to pupils living in the 'feeder zone' of the school. The policy stipulated that pupils would be allowed to repeat a grade only once in each phase of the school cycle to cut down on costly repeats (the phases comprised grades 1–3, 4–6, and 7–9). Pupils over the age of 16 who had never attended or progressed at school would be encouraged to enrol at adult basic education and training centres.

## **Age Requirements for Admission to an Ordinary Public School**

Age Requirements for Admission to an Ordinary Public School were published in October 1998 in terms of the South African Schools Act of 1996.<sup>94</sup> [<sup>94</sup> Ibid] The age requirements stipulated that pupils admitted to grade 1 should turn seven in that year. The age-grade norm would be applicable to all subsequent grades. Learners younger than seven years would not be admitted to grade 1, but could be admitted to grade 0. Attendance of grade 0 was not compulsory.

## **Assessment Policy in the General Education and Training Band, Grades R to 9 and Abet**

An Assessment Policy in the General Education and Training Band, Grades R (preschool year) to 9 and Abet, was published in December 1998 in terms of the National Education Policy Act of 1998.<sup>95</sup> [<sup>95</sup> Ibid.



no 19640, No R 1718, 23 December 1998] It provided for a new system of assessing pupils, which would no longer rely exclusively on end-of-year examinations. Pupils would be assessed on a continual basis which would include both written and practical tests. The policy established two school exit points, one in grade 9 and one in grade 12—where pupils would write an externally moderated examination.

## KEY PROJECTIONS

- Enrolments at tertiary institutions would reach 650 000 by 2001, according to projections published by the Department of Education in May 1999.
- The number of black students at tertiary institutions was expected to grow from 267 000 in 1993 to 499 000 in 2001, constituting 73% of all tertiary enrolments in 2001.
- The number of white students at tertiary institutions was expected to drop from 229 000 in 1993 to 186 000 in 2001, constituting 27% of all tertiary enrolments in 2001.
- By 2001 some 69% of students at Afrikaans universities were expected to be black—compared with some 56% in 1993.
- It was estimated that the number of students needing financial aid for university or technikon would increase by 70 000 over 10 years—to 123 000 in 2005 and 151 000 in 2010, according to research by the Department of Education.

## LIVING CONDITIONS

### BIRD'S EYE VIEW

The government's low-cost housing delivery gained momentum during the period under review. However, the government acknowledged that its target of 1m houses by 1999 would never be met. The housing backlog continued to rise, and in 1998 the urban backlog was estimated to be at least 2.6m units. The delivery process was faced with financial constraints, administrative backlogs, and corruption in government. Low-income earners found it hard to obtain credit. Private developers complained that housing subsidies were being eroded by inflation and were too low to finance services and build a decent-sized top structure.<sup>1</sup> [<sup>1</sup> *Business Day* 22 April 1998] In April 1999 the government increased the subsidy amounts. The subsidy payable to the lowest-income group was increased by 7%.

In December 1998 the Department of Housing introduced national norms and standards for low-cost housing. These were aimed at curbing the huge disparities among the size and quality of homes being built with the government's subsidy. The minimum size of houses to be built with the government's subsidy was set at 30 square metres.

During the period under review, the government claimed significant progress in the delivery of services such as electricity, sanitation, telephones, and water. Even though these services had improved the living conditions of disadvantaged communities, many rural communities were unable to afford monthly tariffs. The National Electricity Regulator said that the consumption of electricity by newly connected consumers in disadvantaged areas remained low. A large proportion of these households used their electricity mainly for lighting.

A significant number of towns provided countrywide in terms of the government's water supply and sanitation programme faced the danger of 'running dry' in the next few years. Some communities and municipalities would not be able to afford the operating and maintenance costs associated with keeping water running. Some municipalities allegedly refused to take over responsibility for running the schemes. They claimed that they were not consulted and informed of the operating costs before the schemes were implemented.<sup>2</sup> [<sup>2</sup> Ibid 3 March 1999] According to the education manager of the Mvula Trust, Mr Ned Brislin, unless urgent emphasis was placed on affordability and sustainability, the government risked wasting millions on 'unproductive infrastructure' that would ultimately be ruined.<sup>3</sup> [<sup>3</sup> Ibid]

More than R9.7bn was owed to municipalities in arrears rates and service accounts in 1998.<sup>4</sup> [<sup>4</sup> *The Star* 2 July 1998] Some city councils resorted to cutting supplies to non-payers in an attempt to recover arrears for municipal services.<sup>5</sup> [<sup>5</sup> *The Citizen* 14 August 1998] In January 1999 the deputy president, Mr Thabo Mbeki, appealed to South Africans to pay for their water and electricity services. Mr Mbeki said that some new water projects had stopped functioning because of non-payment.<sup>6</sup> [<sup>6</sup> *The Mercury* 18 January 1999] However, the minister of water affairs and forestry, Professor Kader Asmal, warned that the government would act against municipalities which failed to provide water and sanitation to residents within their jurisdiction. Professor Asmal said that if the 'very poor' were unable to pay for services, local governments were required to ensure continued subsidisation of services.<sup>7</sup> [<sup>7</sup> *The Star* 11 March 1999] An investigation sponsored by the Water Research Commission found that the poor performance of many water projects was not because of the lack of affordability, but the lack of community co-operation and involvement. The report cited weak community leadership, lack of communication between water committees and communities, and 'ill-advised' engineering consultants as some of the reasons. Non-payment of Eskom's electricity account (to keep water pumps functioning) accounted for most water supply cuts, the report said.<sup>8</sup> [<sup>8</sup> *Business Day* 19 May 1999]

In April 1999 the town of Nelspruit in Mpumalanga signed a concession which allowed a private company to provide its water and sanitation services. The concession, which would be for 30 years, was a first in South Africa.<sup>9</sup> [<sup>9</sup> *Sunday Times* 25 April 1999]

During the period under review the government's land reform programme was criticised for its slow pace. A performance audit by the auditor general indicated that 'very few' people had benefited from the land reform process. Several shortcomings within the land reform programme were highlighted, in

particular the slow pace of finalising land restitution claims, and the lack of aftercare and support services to beneficiaries. The minister for agriculture and land affairs, Mr Derek Hanekom, said that the restitution process was slow because each claim required intensive investigations, research, and verification.<sup>10</sup> [<sup>10</sup> *Pretoria News* 17 February 1999]

A number of bills were introduced in 1998. Most focused on benefiting disadvantaged communities. The government was preparing legislation to compel financial institutions to lend in the low-income housing market, according to the minister of housing, Ms Sankie Mthembu-Mahanyele. She said that the Fair Lending Practices Draft Bill would compel banks and other deposit-taking institutions to disclose why loan applications were turned down. She added that the legislation aimed at discouraging discrimination on the basis of family, sex, and status.<sup>11</sup> [<sup>11</sup> *Business Day* 11 March 1999]

The Housing Rental Bill sought to promote access to rental housing for historically disadvantaged people by regulating housing rental matters in areas where a severe breakdown in landlord/tenant relations had occurred. In terms of the bill, the MEC for housing in a province could, if he had 'good reason' to believe that the housing rental market was not functioning properly in a certain area, declare such an area a 'regulated area'. Rent in such areas could not be increased except in relation to the actual increase in rates and taxes, or by determination of a proposed housing tribunal.<sup>12</sup> [<sup>12</sup> Rental Housing Bill; Fast Facts No 2 1999]

In December 1998 the Department of Minerals and Energy published a white paper on energy policy. The white paper recommended, among other things, that competition should be introduced in the electricity supply sector.<sup>13</sup> [<sup>13</sup> Department of Minerals and Energy, *White Paper and Energy Policy for Republic of South Africa*, December 1998]

## KEY POINTS

- Some 3.5m people were provided with water in the period March 1994 to March 1999.
- In October 1999 some 7.5m people had no access to running water, while 21m people had no sanitation, according to the minister of water affairs and forestry, Mr Ronnie Kasrils.
- Some 27% of African households had piped water inside their dwelling, compared with 96% of white households, according to the 1996 census. More than a quarter of African households relied on public taps, while 17% relied on dams, rivers or springs for water.
- Some 59% of households in South Africa had electricity by the end of 1997. Whereas over 80% of houses in urban areas were electrified in 1997, just under one third in rural areas had electricity.
- The number of new electricity connections in 1997 totalled 469 760, compared with 453 995 in 1996 (an increase of 4%). According to the National Electricity Regulator, since 1991 some 2.5m new

connections had been made.

- Some 37% of African households had their refuse removed once a week by local authorities, compared to 80% of coloured, 96% Indian, and 90% of white households.
- In the period April 1994 to May 1999 a total of 777 591 houses were built or under construction in terms of the government's low-cost housing delivery programme.
- Some 21% of African households lived in informal dwellings in 1996, compared with fewer than 1% of whites. However, 70% of whites lived in formal housing, compared with 41% of Africans. Almost a quarter of Africans lived in traditional dwellings.
- The urban housing shortage in South Africa was estimated at 2.6m units at the end of June 1998. (This shortage figure included informal dwellings and shacks, but not traditional houses.)
- Some 2 470 households were homeless in 1996, according to Statistics South Africa.
- From May 1995 to September 1998 the Commission on Restitution of Land Rights received 63 455 land claims countrywide. Of these only 264 had been resolved by October 1999.
- By February 1999 some 40 367 households had acquired a total of 47m hectares of land in terms of the government's land redistribution programme.
- Some 43% of the land redistributed was in the Northern Cape, although the single largest number of beneficiary households was in the Eastern Cape (19%).

## **MUNICIPAL INFRASTRUCTURE**

### **Funding**

The Bulk and Connector Infrastructure Grant (BCIG) programme was initiated by the Department of Housing in 1995 to provide municipalities with financial resources for infrastructure such as electricity, water, and sanitation. The department made R700m available to the programme for municipal funding over a three-year period. Provinces with high infrastructure backlogs received a larger proportion of funding. In March 1998 the BCIG programme was incorporated into the Consolidated Municipal Infrastructure Programme (CMIP), which was managed by the Department of Constitutional Development. The table below shows expenditure on the BCIG programme from 1996/97 to 1997/98 by province.<sup>14</sup> [14 Department of Housing, 1998 annual report, p60; telephonic interview with Ms Gege Kekana, public relations officer of the Ministry of Housing, 18 May 1999]

#### ***Expenditure on the BCIG programme:<sup>a</sup> 1996/97–1997/98***

*Province*

Total amount allocated (Rm)

Amount disbursed (Rm)

Proportion of total disbursed

Eastern Cape

106.4

27.0

5%

Free State

48.3

35.3

7%

Gauteng

170.1

131.0

26%

KwaZulu-Natal

136.5

136.5

28%

**Mpumalanga**

37.1

29.9

6%

**North West**

49.0

17.5

4%

**Northern Cape**

12.6

12.6

3%

**Northern Province**

60.2

25.8

5%

**Western Cape**

79.8

79.8

16%

**South Africa**

700.0

495.4

100%

*Source:* Department of Housing

a

In March 1998 the BCIG was incorporated into the Consolidated Municipal Infrastructure Programme.

KwaZulu-Natal, the Northern Cape, and the Western Cape had used all their allocated amounts on the BCIG programme by the time of its incorporation into the CMIP in March 1998. The Eastern Cape had used a quarter of its allocated amount, while the North West had used less than half. By March 1998 the provinces had collectively used 71% of the R700m allocated to the BCIG, according to the Department of Housing.

The graph below shows the total amount allocated to the provinces on the BCIG programme in 1996/97 and the amount disburs

About two thirds of the Consolidated Municipal Infrastructure Programme involved putting in infrastructure for new housing, 20% was for rehabilitating existing infrastructure, 10% for ‘special cases’, and the remainder for ‘capacity building’, according to the 1999 *National Expenditure Survey*.<sup>15</sup>  
 [15 Department of Finance, *National Expenditure Survey 1999*, p34]

The Infrastructure Finance Corporation (Inca) committed R1.15bn to infrastructure funding from January 1997 to December 1998. About 89% of the funding was borrowed by local authorities, and 5% by district and regional councils. Water boards and other private sector institutions each borrowed 3%.<sup>16</sup>  
 [16 Fax communication from the Infrastructure Finance Corporation, 28 January 1999] Inca reported in 1998 that further credit lines worth R671m had been approved for infrastructure funding, while an additional R650m was being examined.<sup>17</sup> [17 Infrastructure Finance Corporation, 1998 annual report, p8]

The South Africa Infrastructure Fund reported in 1999 that it had invested in, or had committed to invest in, eight projects totalling R264m, of which four were in South Africa. The fund was established in July 1996. Its aim was to provide long-term capital funding through private sector investment in infrastructure projects in the Southern African Development Community (SADC) region.<sup>18</sup> [18 South Africa Infrastructure Fund, *Focusing development through investment in infrastructure projects*, 1999]

# LAND

## Legislation

### Provision of Certain Land for Settlement Amendment Act of 1998

The objective of the Provision of Certain Land for Settlement Amendment Act of 1998 was to give the minister for agriculture and land affairs the power to render financial assistance for the acquisition, development, and improvement of certain land, and to secure tenure rights. The act also empowered the minister to expropriate certain land in accordance with the Expropriation Act of 1975. Any right in land derived from provisions of the amendment act could be expropriated in accordance with the provisions of any applicable legislation.<sup>19</sup> [<sup>19</sup> Provision of Certain Land for Settlement Amendment Act, no 26 of 1998, *Government Gazette* no 19019, 3 July 1998]

### Prevention of Illegal Eviction from and Unlawful Occupation of Land Act of 1998

The objective of the Prevention of Illegal Eviction from and Unlawful Occupation of Land Act of 1998 was to provide for fair procedures for the eviction of people who occupied land without the permission of the owner or the person in charge of such land. The act made it an offence to evict unlawful occupants of land without a court order.<sup>20</sup> [<sup>20</sup> Prevention of Illegal Eviction from and Unlawful Occupation of Land Act, no 19 of 1998, *Government Gazette* no 18964, 5 June 1998]

### Land Restitution and Reform Laws Amendment Act of 1999

The Land Restitution and Reform Laws Amendment Act of 1999 amended legal provisions regulating entitlement to restitution. The act also authorised any interested parties to apply for the setting aside of certain agreements reached by the Land Claims Court. It phased out the need for every claim to be referred to the court where interested parties had reached an agreement on the finalisation of a claim. The act made further provision for the granting of financial aid to claimants who entered into an agreement regarding the finalisation of a claim.<sup>21</sup> [<sup>21</sup> Land Restitution and Reform Laws Amendment Act, no 18 of 1999, *Government Gazette* no 19968, 23 April 1999]

## Implementation

### Statistics

#### *Land Restitution*

The purpose of the government's restitution policy (see also 1997/98 Survey, p325) was to restore land or provide compensation to people who lost their land after 1913 as a result of racially discriminatory



legislation (ie the Natives Land Act of 1913 and the Natives Trust and Land Act of 1936). The Restitution of Land Rights Act of 1994 and the 1996 constitution provided a legal framework for the resolution of land claims against the state, where possible through negotiated settlements. Where feasible, the state would restore the original inhabitants to their land; where this was not feasible, the state would provide 'just and equitable compensation'. The Land Claims Court was responsible for adjudicating claims.<sup>22</sup> [22 Department of Land Affairs, *White Paper on South African Land Policy*, April 1997, p52; 1997/98 Survey, p325]

The table below shows a provincial breakdown of rural households who were forcibly moved from their land since 1913.<sup>23</sup> [23 Statistics South Africa (Stats SA), *Rural Survey, 1997*, Statistical Release, P0360, 17 June 1999]

***Number of rural households moved from their land since 1913***

*Province<sup>a</sup>*

Number of households moved

Number of households not moved

All

Propotion of households moved

Propotion of households not moved

Eastern Cape

51 695

659 987

711 683

7%

93%

Free State

1 228

67 268

68 496

2%

98%

### KwaZulu-Natal

8 228

244 768

252 996

3%

97%

### Mpumalanga

11 995

187 367

199 362

6%

94%

### North West

22 373

311 752

354 125

6%

94%

Nothern Province

46 075

723 179

769 254

6%

94%

**All**

141 594

2 214 321

2 355 915

6%

95%

*Source:* Statistics South Africa

a

Excluding Gaureng, Nothern Cape, and the Western Cape.

According to Statistics South Africa, among the households that were moved, only 9% had taken steps to reclaim their land, as shown in the table

***Number of rural households reclaiming their land***

*Province<sup>a</sup>*

Number of households moved

Number of households reclaiming their land

Proportion of households reclaiming their land

Eastern Cape

51 695

3 061

6%

Free State

1 228

0

0%

KwaZulu-Natal

8 228

2 697

33%

Mpumalanga

11 995

1 891

16%

North West

22 373

2 500

11%

Northern Province

46 075

2 252

5%

**All**

141 594

12 401

9%

*Source:* Statistics South Africa

a

The survey was based on rural areas in the former homelands and excluded Gauteng, Northern Cape, and the Western Cape.

The table below shows the number of land restitution claims by region submitted to the Commission on Restitution of Land Rights from May 1995 to December 1998 (the cut-off date to lodge restitution claims was 31st December

***Land restitution claims by region: May 1995–December 1998***

*Region*

Number of claims<sup>a</sup>

Proportion of total

Eastern Cape and Free State

9 615

15%

Gauteng and North West

15 843

25%

KwaZulu-Natal

14 208

22%

Mpumalanga and Northern Province

11 745

19%

Western and Northern Cape

12 044

19%

**All**

63 455

100%

*Source:* Department of Land Affairs

The number of claims or claim forms received by the Commission on Restitution of Land Rights. The commission estimated that some 20% of the total claims were claims lodged by groups or a community for one individual piece of land.

A total of 231 restitution claims had been resolved by June 1999 (some 0.4% of total claims), according to the Commission on Restitution of Land Rights. Some 13 437 households had recovered about 264 615 hectares of land at a cost of R53m. During the same period the Department of Land Affairs paid out R10.3m to some 215 households as compensation in cases where it was not feasible to restore them to their original land.<sup>26</sup> [<sup>26</sup> Ibid]

In February 1999 more than half of the title deeds for land claims settled on the basis that claimants move back to the land, had not yet been registered in the names of the claimants. According to the Department of Land Affairs, only nine transfers had been approved out of the 23 settled restoration cases by that

### ***Land Redistribution***

The purpose of the land redistribution programme was to provide the poor (including emergent farmers, farmworkers, labour tenants, and women) with access to land for residential and productive purposes in order to improve their livelihoods. The government would assist in the purchase of land by providing a settlement/land acquisition grant for the purchase of land directly from willing sellers (including the state). The programme was intended for people who did not qualify for restitution (see 1996/97 Survey, p766; 1997/98 Survey, p326).

The table below shows the number of households which benefited from the redistribution programme from April 1994 to February 1999.<sup>28</sup> [<sup>28</sup> Information supplied by Mr Indran Naidoo, director: monitoring and evaluation, Department of Land Affairs, 9 February 1999]

#### ***Redistribution projects completed: April 1994–February 1999***

*Province*

Hectares

Proportion of total<sup>a</sup>

Number of beneficiary households

Eastern Cape

3 384 306

7%

7 824

Free State

7 165 932

15%

4 675

Gauteng

530 300

1%

2 087

KwaZulu-Natal

7 179 706

15%

7 291

Mpumalanga

3 534 245

8%

6 774

North West

1 545 098



3%

3 161

Northern Cape

20 401 107

43%

3 146

Northern Province

2 270 306

5%

3 620

Western Cape

1 125 357

2%

1 789

**South Africa**

47 136 357

100%

40 367

*Source:* Department of Land Affairs

Figures do not add up, owing to rounding.

Some 43% of the land redistributed was in the Northern Cape, although the single largest number of beneficiary households was in the Easte

### ***Land Reform Pilot Programmes***

The face of land reform was set to change radically following a government decision to end financial support for all new large-scale resettlement projects, the Department of Land Affairs said in January 1999. The decision was expected to affect groups of more than 100 people who applied for land restitution or resettlement grants. According to the department's director for monitoring and evaluation, Mr Indran Naidoo, the department had been forced to abandon support for large projects because most of them had proved unsustainable. The minister for agriculture and land affairs, Mr Derek Hanekom, had also decided to discontinue all support for the resettlement of labour tenants or farm labourers who were evicted by farmers. Mr Naidoo said that the decision was made following the realisation that farmers were taking advantage of resettlement schemes to avoid their responsibilities in terms of the Extension of Security of Tenure Act of 1997 (see 1997/98 Survey, pp323–324). Other land reform pilot programmes earmarked for scrapping included the Department of Land Affairs' Mayibuye project, which targeted land for rapid release to local authorities for urban development.<sup>29</sup> [<sup>29</sup> *The Sunday Independent Reconstruct* 10 January 1999, *Business Day* 11 January 1999]

### **Disposing of State Land**

During the period under review proposals giving rural people enhanced property and tenure rights on the land which they occupied were being finalised by the Department of Land Affairs. The proposals were expected to serve as the basis of a bill to be presented to Parliament after the 1999 general election. If the new measures were passed, some 16m people living on the 13% of former homelands and on state land would be affected. The land was registered in the name of the minister of land affairs or the South African Development Trust (SADT), and was generally administered by tribal authorities. Rural residents would be allowed to register property they occupied or used with the deeds office, even though nominal ownership remained vested in the minister of land affairs or the SADT. Registered use would imply a deed of statutory title sufficient to obtain a housing subsidy or bank loan.<sup>30</sup> [<sup>30</sup> *Business Day* 20 April 1999; telephonic interview with Mr Indran Naidoo, 18 May 1999]

### **Finance**

In the 1999/2000 financial year some R388m would be spent on the implementation of land reform, compared to R410m in 1998/99, a decrease of 5%. In terms of the government's medium-term expenditure estimate, some R499m would be spent on land reform implementation in 2000/01, an increase of 29% compared to 1999/2000. In 2001/02 this would increase by 4% to R517m.<sup>31</sup> [<sup>31</sup>

Department of Finance, *National Expenditure Survey 1999*, p240] (See also chapter on *The Economy*.)

## **WATER AND SANITATION**

### **Legislation**

#### **National Water Act of 1998**

The National Water Act of 1998 provided for reform of the law relating to water resources. In terms of the act, none of South Africa's water resources would be regarded as private. The act abolished the riparian system, which entitled the owner of land next to a river bank to irrigation, fishing, and water rights. It replaced the riparian system with a water allocation system based on equal access to water resources.<sup>32</sup> [<sup>32</sup> National Water Act, no 36 of 1998, Government Gazette no 19182, 26 August 1998] (See also 1997/98 Survey, p329.)

### **Statistics**

#### **Water**

The government aims to provide a minimum of 25 litres of potable water per person per day within 200m of each home before the end of 2001. The table below shows racial differences in access to water among South Africa's 9.1m households.<sup>33</sup> [<sup>33</sup> Stats SA, *The People of South Africa, Population Census 1996*, report no 1: 03-01-11 (1996)]

#### ***Water sources by race: 1996<sup>a</sup>***

African

Coloured

Indian

White

Unspecified/ Other

***All races***

Piped water in dwelling

27%

72%

97%

96%

66%

**44%**

Piped water on site

20%

18%

1%

1%

10%

**16%**

Public tap

26%

5%

0%<sup>b</sup>

0%<sup>b</sup>

9%

**19%**

Water carrier/tanker

2%

0%<sup>b</sup>

0%<sup>b</sup>

0%<sup>b</sup>

1%

**1%**

Borehole/rain-water tank/well

6%

2%

1%

3%

3%

**5%**

Dam/river/stream/spring

17%

2%

0%<sup>b</sup>

0%<sup>b</sup>

7%

**12%**

Other

2%

1%

0%<sup>b</sup>

0%<sup>b</sup>

4%

**2%**

All

100%

100%

100%

100%

100%

100%

*Source:* Statistics South Africa

a

Figures should add up vertically but may not, owing to rounding.

b

Too small to record.

Some 27% of African households had piped water inside their dwellings in 1996, compared with 96% of white households. More than a quarter of African households relied on public taps in 1996, while 17% relied on dams, rivers, streams, or springs for water.

The table below provides a proportional breakdown of the main sources of household water supply by

*Water sources by province: 1996*

EC

FS

Gau

KN

Mpu

NW

NC

NP

WC

RSA

Piped water in dwelling

24%

40%

67%

39%

36%

29%

50%

17%

75%

44%

Piped water on site or in yard

11%

30%

18%

9%

26%

20%

33%

18%

14%

16%

Public tap

19%

24%

11%

18%



20%

32%

9%

41%

8%

19%

Water-carrier/ tanker

1%

1%

1%

1%

3%

2%

1%

1%

0%<sup>b</sup>

1%

Borehole/rain-water tank/well

4%

3%

2%

7%

7%

11%

4%

10%

1%

5%

Dam/river/ stream spring

40%

1%

0%<sup>b</sup>

24%

6%

2%

3%

11%

1%

12%

Unspecified/ other

1%

1%

1%

2%

2%

4%

1%

3%

1%

2%

**All<sup>a</sup>**

100%

100%

100%

100%

100%

100%

100%

100%

100%

100%

*Source:* Statistics South Africa

a

Figures should add up vertically but may not, owing to rounding.

b

Too small to record.

The pie chart below provides a proportional breakdown of the main sources of household water supply in South Af

The table below shows the number of rural households and the distance they had to travel to fetch water in 1997.<sup>35</sup> [<sup>35</sup> Stats SA, *Rural Survey, 1997*]

***Distances travelled to fetch water by rural households and by province:<sup>a</sup> 1997***

*Distance*

EC

FS

KZN

Mpu

NW

NP

***All***

Inside dwelling/ on property

60 902

18 078

22 012

99 696

81 211

232 188

**514 087**

Less than 100m

119 126

31 902

16 975

37 531

83 245

130 874

**419 653**

100m–less than 200m

130 881

13 871

52 841

30 641

89 052

101 408

**418 694**

200m-less than 500m

130 585

4 179

83 928

20 968

58 154

97 740

**395 554**

500m-less than 1km

142 938

368

57 905

6 409

29 569

73 124

**310 314**

1km or more

127 249

97

19 334

4 117

12 895

133 920

**297 612**

All

711 681

68 495

252 996

199 362

354 126

769 254

2 355 914

*Source:* Statistics South Africa

a

The survey was carried out in rural areas of the former homelands and excluded Gauteng, Northern Cape, and the Western Cape, which did not previously contain hom

In 1996 some 12% of households in non-urban or rural areas had to travel at least 1km or more to reach a water source, compared to 16% in 1995. Some 15% of non-urban households had to travel less than 100m to fetch water in 1996, compared to 36% in 1995. (The 1995 and 1996 figures from Statistics South Africa's *October Household Survey* (OHS) are not strictly comparable. The OHS is a sample survey and different samples and methodologies are used each time these surveys are carried out.) According to Stats SA's 1997 *Rural Survey*, some 13% of households in non-urban or rural areas had to travel at least 1km or more to reach a water source. Some 18% of non-urban households had to travel

less than 100m to fetch water in 1997. (The 1997 figures should not be compared with 1995 and 1996 figures since the 1997 *Rural Survey* was carried out in rural areas of the former homelands only.)<sup>36</sup> [<sup>36</sup> Stats SA, *October Household Survey 1996*, Statistical Release PO317, 30 August 1999, Stats SA, *Rural Survey*, 1997]

## Sanitation

The table below provides a proportional breakdown by race of the different types of sanitation facility used by households.<sup>37</sup> [<sup>37</sup> Stats SA, *Population Census 1996*]

### *Sanitation facilities by race: 1996*

<i>Facility</i>
African
Coloured
Indian
White
Other
<i>All races<sup>a</sup></i>
Flush/chemical lavatory
34%
80%
98%
99%
71%
<b>50%</b>
Pit latrine



44%

8%

2%

0%<sup>b</sup>

15%

**32%**

Bucket latrine

6%

7%

0%<sup>b</sup>

0%<sup>b</sup>

3%

**5%**

No facility

16%

5%

0%<sup>b</sup>

0%<sup>b</sup>

7%

**12%**

Other

1%

0%<sup>b</sup>

0%<sup>b</sup>

0%<sup>b</sup>

4%

**1%**

All<sup>a</sup>

100%

100%

100%

100%

100%

100%

*Source:* Statistics South Africa

a

Figures should add up vertically but may not, owing to rounding.

b

Too small to record.

The pie chart below shows different types of sanitation facility used by South African households

The following table provides a proportional breakdown of the different types of sanitation facility used by households by province in 1996:<sup>38</sup> [<sup>38</sup> Ibid]

*Sanitation facilities by province: 1996*

*Facility*

EC

FS

Gau

KN

Mpu

NW

NC

NP

WC

RSA

Flush/chemical lavatory

31%

45%

83%

42%

38%

32%

60%

13%

86%

50%

Pit latrine

34%

25%

12%

42%

49%

55%

11%

65%

5%

32%

Bucket latrine

6%

21%

2%

1%

4%

6%

18%

0%<sup>b</sup>

4%

5%

No facility

29%

9%

2%

15%

9%

6%

11%

21%

5%

12%

Unspecified/other

1%

0%<sup>b</sup>

1%

1%

1%

0%<sup>b</sup>

0%<sup>b</sup>

1%

0%<sup>b</sup>

1%

**All<sup>a</sup>**

100%

100%

100%

100%

100%

100%

100%

100%

100%

100%

*Source:* Statistics South Africa

a

Columns should add up vertically but may not, owing to rounding.

b

Too small to

## Progress on Water Delivery

The table below shows the number of people provided with basic water supply in the period March 1994 to March 1999:<sup>39</sup> [<sup>39</sup> Information supplied by the Department of Water Affairs and Forestry, 16 April 1999]

### *People provided with water supply by province:<sup>a</sup> March 1994–March 1999*

*Province*

Number

Proportion of total

Eastern Cape

1 210 299

34%

Free State

193 686

6%

KwaZulu-Natal

435 643

12%

Mpumalanga

480 933

14%

North West

437 572

12%

Northern Cape

24 932

1%

Northern Province

619 775

18%

Western Cape

121 607

3%

**Total**

3 524 447

100%

*Source:* Department of Water Affairs and Forestry

a

Gauteng was the only province where reconstruction and development projects on water supply were not implemented.



Although some 3.5m people were supplied with water between 1994 and 1999, there were still some 12m people without water, the Department of Water Affairs and Forestry said.<sup>40</sup> [<sup>40</sup> Ibid]

In August 1999 the minister of water affairs and forestry, Mr Ronnie Kasrils, said that the backlog in water supply had been reduced to 7.5m.<sup>41</sup> [<sup>41</sup> *The Citizen* 31 August 1999]

The graph below shows the number of people provided with basic water supply from March 1994 t

## Dams

In March 1999 the minister of water affairs and forestry, Professor Kader Asmal, said that the government was committed to maintaining a balance between the building of new dams—which were based on effective environmental and demand management studies—and ‘a multitude’ of smaller water schemes. According to Professor Asmal, some of the dam projects which were under way included:<sup>42</sup> [<sup>42</sup> *The Star Business Report* 18 March 1999, *Business Day* 20 April 1999]

- the R335m Injaka Dam in the Northern Province, which would provide water to nearly 1m people; and
- the R600m Mutoti Dam in the Northern Province, which would provide basic water supply to 9m people.

In May 1999 Professor Asmal approved a R780m dam and water supply scheme for the Western Cape. The construction of the Skuifraam Dam as well as the Skuifraam supplement scheme was expected to go ahead in two to three years’ time.<sup>43</sup> [<sup>43</sup> *Business Day* 28 May 1999, 15 June 1999] In July 1999 Rand Merchant Bank (RMB) and the Infrastructure Finance Corporation (Inca) provided R65m for the construction of the Ceres Koekedouw Dam in the Western Cape. The project would provide a multipurpose water scheme that would supply sufficient water for local communities, as well as industrial and agricultural users for the next 30 years. The project also aimed to assist previously disadvantaged people to become commercial irrigation farmers.<sup>44</sup> [<sup>44</sup> *Engineering News* 2 July 1999]

## Finance

In 1999/2000 a total amount of R2.4bn was allocated to water schemes and related services, a drop of 4% over the 1998/99 allocation (R2.5bn). The amount represented 1.1% of the 1999/2000 budget and 0.3% of gross domestic product (GDP). In terms of the government’s medium-term expenditure framework, spending on water schemes and related services would increase to R3bn in 2000/01 (by 25% over 1999/2000). The budgeted allocation to water schemes and related services would also increase slightly to 1.2% of total expenditure, and to 0.4% of GDP.<sup>45</sup> [<sup>45</sup> Department of Finance, *Budget Review 1999*,

pp214–215]

## HOUSING

### National Policy

#### National Subsidy Policy

In December 1998 the minister of housing, Ms Sankie Mthembi-Mahanyele, announced that as from April 1999 the minimum size for low-cost houses built with government subsidies would be 30m<sup>2</sup>. Some contractors had taken advantage of the Department of Housing's previous loose definitions of norms and standards, Ms Mthembi-Mahanyele said. This had resulted in some contractors' producing 'substandard' units. However, provincial housing MECs could set a higher minimum size for their provinces where it was feasible or practicable. Ms Mthembi-Mahanyele said that the sizes would also be allowed to vary in cases where geotechnical or topographical conditions hampered production. The housing MEC from each province could approve a reduction in the size of the unit down to a minimum of 27m<sup>2</sup>.<sup>46</sup> [<sup>46</sup> *Business Day* 4 December 1998; information supplied by Ms Busi Khumalo, Department of Housing, 13 April 1999]

No additional allowance on the original subsidy amounts was provided to counter the 'negative impact' of inflation until April 1999, according to the Department of Housing. The table below shows the increase in subsidies payable to various income groups.<sup>47</sup> [<sup>47</sup> Department of Housing, 1998 annual report, pp12–13]

#### *Subsidy eligibility by income group*

*Monthly beneficiary income*

Subsidy amount 1995–98

Subsidy amount 1999

Up to R1 500

R15 000

R16 000

R1 501 to R2 500

R9 500

R10 000

R2 501 to R3 500

R5 000

R5 500

*Consolidation subsidies<sup>a</sup>*

Up to R1 500

R7 500

R8 000

*Source:* Department of Housing

a

The consolidation subsidy was targeted at people who, before the inception of the Housing Subsidy Scheme, had benefited from other subsidy schemes (such as the Independent Development Trust's capital subsidy scheme). Under the Housing Subsidy Scheme, these households were eligible for a subsidy to improve their hous

Guidelines for the adjustment of the subsidy amounts to cater for special housing needs of disabled people were also developed. According to the Department of Housing, the guidelines increased the subsidy amount depending on the severity of a beneficiary's disability. This would enable them to improve their dwellings by installing special equipment in their units and to make design adjustments to enable them to live independently.<sup>48</sup> [<sup>48</sup> Ibid, p13]

## **Legislation**

### **Housing Consumers Protection Measures Act of 1998**

The objective of the Housing Consumers Protection Measures Act of 1998 was to protect buyers of new houses against builders who built poor houses or refused to rectify building defects. Furthermore, the act required all homebuilders to register with the National Home Builders Registration Council or face a fine of up to R25 000 or one year's imprisonment.<sup>49</sup> [<sup>49</sup> Housing Consumers Protection Measures Act, no 95 of 1998, *Government Gazette* no 19418, 2 November 1998]

### **Housing Amendment Act of 1999**

The Housing Amendment Act of 1999 made provision for the phasing out of certain housing subsidies. In terms of the act, the minister of housing may, within one year of the commencement of the act, institute a national housing programme to phase out every housing subsidy granted in terms of:

- the Development and Housing Act of 1985;
- the Development Act (House of Representatives) of 1987;
- the Housing Act of 1966;
- the Housing Act (House of Representatives) of 1987; and
- the Housing Development Act (House of Delegates) of 1987.

The act also made provision for the recognition of the Social Housing Foundation as a national institution.<sup>50</sup> [<sup>50</sup> Housing Amendment Act, no 28 of 1999, *Government Gazette* no 19977, 30 April 1999]

## National Housing Profile

The table below provides a racial breakdown of the types of dwelling occupied by South Africa's 9.1m households in 1996 (excluding hostels and other institutions).<sup>51</sup> [<sup>51</sup> Stats SA, *Population Census* 1996]

### *Type of dwelling<sup>a</sup> of households by race:<sup>b</sup> 1996*

*Dwelling*

African

Coloured

Indian

White

Unspecified/Other

*All<sup>c</sup>*

House or brick structure

2 673 181

452 258

140 641

1 034 346

31 160

**4 331 586**

Traditional dwelling<sup>d</sup>

1 612 700

13 955

1 329

10 483

5 922

**1 644 389**

Flat

153 096

58 042

34 279

208 120

4 631

**458 168**

Town/cluster/semi-detached house

96 886

98 546

46 508

135 073

4 526

**381 539**

Unit in retirement village

7 354

802

340

31 748

190

**40 434**

House/flat/room in backyard

401 251

37 787

13 575

28 124

2 723

**483 460**

Informal dwelling/shack in backyard

373 294

26 479

788

1 060

1 708

**403 329**

Informal dwelling/shack in informal/squatter settlement

1 013 343

31 103

1 083

912

3 243

**1 049 684**

Room/flat let on shared property

107 584

12 059

3 268

15 207

1 513

**139 631**

Caravan/tent

11 418

2 752

75

2 727

154

**17 126**

None/homeless

1 982

249

19

198

22

**2 470**

Unspecified

81 908

7 173

1 735

14 492



2 445

**107 753**

All<sup>c</sup>

6 533 998

741 206

243 639

1 482 492

58 237

9 059 571

*Source:* Statistics South Africa

a

Excluding hostels and institutions (ie communal temporary, semi-permanent or living arrangements for people in special circumstances, for example homes for the aged or disabled, hotels and hospitals, police cells, prisons, and school boarding facilities).

b

Classified according to the race of the head of the household.

c

Figures may not add up, owing to rounding.

d

Hut or structure made of traditional materials.

About one fifth of African households lived in informal dwellings in 1996, compared with less than 1%

of whites. However, 70% of whites lived in formal housing, compared with 41% of Africans. Almost a quarter of Africans lived in traditional dwellings.

The following graph provides a breakdown of the type of dwelling of househol

The table below gives a proportional breakdown of the type of dwelling by province.<sup>52</sup> [<sup>52</sup> Ibid]

***Proportional breakdown of type of dwelling by province: 1996***

<i>Province</i>
Formal
Informal
Traditional
Backyard (not shack)
Unspecified/Other
<i>All<sup>a</sup></i>
Eastern Cape
42%
11%
41%
5%
1%
<b>100%</b>
Free State
57%

26%

10%

5%

1%

**100%**

Gauteng

62%

24%

1%

12%

2%

**100%**

KwaZulu-Natal

49%

11%

32%

7%

2%

**100%**

Mpumalanga

60%

16%

18%

5%

2%

**100%**

North West

63%

22%

7%

6%

1%

**100%**

Northern Cape

75%

14%

4%

5%

1%

**100%**

Northern Province

58%

5%

32%

4%

1%

**100%**

Western Cape

76%

17%

1%

5%

1%

**100%**

Total<sup>a</sup>

58%

16%

18%

7%

1%

**100%**

*Source:* Statistics South Africa

a

Figures may not add up horizontally, owing to rounding.

In 1996 more than half the households in South Africa lived in formal dwellings, according to Statistics South Africa (Stats SA). About a quarter of households in the Free State and Gauteng lived in informal dwellings (shacks), while 41% of households in the Eastern Cape, and 32% in the Northern Province lived in traditional

## Shortages and Demand

The housing shortage in South Africa at the end of June 1998 was estimated at 2.6m units in urban areas. (The shortage figure included informal dwellings and shacks. Traditional houses were not included in calculations of the housing shortage.) According to Stats SA, some 2 470 households were homeless in 1996 (see *National housing profile* above).

The table below gives a provincial breakdown of the housing shortage in South Africa in 1998 in urban areas.<sup>54</sup> [<sup>54</sup> Fax communication from the Department of Housing, 16 October 1998]

### *Provincial housing shortage: 1998*

*Province*

Shortage

Proportion of total shortage

Shortage as a proportion of total provincial households<sup>a</sup>

Number of houses to be built by 1999<sup>b</sup>

Houses to be built as a proportion of the housing shortage

Eastern Cape

338 239

13%

25%

152 000

45%

Free State

132 323

5%

21%

69 000

52%

Gauteng

836 784

32%

42%

243 000

29%

KwaZulu-Natal

473 214

18%

28%

195 000

41%

**Mpumalanga**

109 825

4%

18%

53 000

48%

**North West**

296 561

11%

41%

70 000

24%

**Northern Cape**

20 462

1%

11%

18 000

88%

**Northern Province**



180 667

7%

18%

86 000

48%

**Western Cape**

215 642

8%

22%

114 000

53%

**South Africa<sup>c</sup>**

2 603 717

100%

29%

1 000 000

38%

*Source:* Department of Housing

a

Number of households in 1996.

b

In terms of the government's housing subsidy policy.

c

Figures may not add up, owing to rounding.

Traditional dwellings (ie huts or structures made of traditional materials) in non-urban areas were not regarded as part of the backlog in non-urban areas. However, the standard of traditional dwellings was not regarded as adequate housing, according to the Department of Housing.<sup>55</sup> [<sup>55</sup> Telephonic interview with Mr Johan Schoeman, Department of Housing, 19 November 1998] According to Stats SA, there were 1.6m traditional dwellings in South Africa in 1996. (See also *National housing profile* above.)

The graph below compares the provincial housing shortage in 1998, and the total number of houses built or under construction as at March 1999 (see *Delivery by th*

## Implementation

### Finance

#### ***Budget and Expenditure***

In 1999/2000 a total of R9.8bn was allocated to housing and community development, an increase of 15% over the 1998/99 allocation (R8.5bn). The amount represented 4.5% of the 1999/2000 budget and 1.4% of gross domestic product (GDP). In terms of the government's medium-term expenditure framework, housing and community development expenditure would increase slightly to R10bn in 2000/01 (by 2% over 1999/2000). However, housing and community development expenditure would drop to 4.2% of total expenditure and to 1.3% of GDP.<sup>56</sup> [<sup>56</sup> Department of Finance, *Budget Review 1999*, pp214–215]

### Delivery by the State

The table below shows the number of state-subsidised houses built or under construction from April 1994 to March 1999 (the latest date for which figures were available).<sup>57</sup> [<sup>57</sup> Information supplied by Ms Busi Khumalo, Department of Housing, 24 May 1999]

#### ***Housing delivery: April 1994–March 1999***

##### *Province*

Proportion of 1m housing target to be met

Actual number of houses to be built

Total number of subsidies approved

Houses built or under construction<sup>a</sup>

Proportion of provincial target built or under construction

Eastern Cape

15.2%

152 000

93 773

78 393

52%

Free State

6.9%

69 000

52 278

57 434

83%

Gauteng

24.3%

243 000

328 030

177 802

73%

KwaZulu-Natal

19.5%

195 000

176 044

149 126

76%

Mpumalanga

5.3%

53 000

64 156

47 595

90%

North West

7.0%

70 000

84 697

60 631

87%

## Northern Cape

1.8%

18 000

22 264

21 256

118%

## Northern Province

8.6%

86 000

89 890

49 750

59%

## Western Cape

11.4%

114 000

124 029

103 730

91%

## **Total**

100.0%

1 000 000

1 035 161

745 717

75%

*Source:* Department of Housing

a

After December 1997 the Department of Housing ceased to publish separate figures for houses built and houses under construction. By December 1997 some 235 709 houses had been built while 233 735 were under con

## **Risk-Targeted Initiatives**

Between 1994 and 1996 the Department of Housing implemented a number of risk-targeted initiatives. These were aimed at remedying the high levels of risk in areas where there were payment boycotts, land invasions, high levels of building material losses, and time delays. Initiatives such as the Mortgage Indemnity Fund (MIF) and the National Urban Reconstruction and Housing Agency were established to provide guarantees for housing investment. Servcon Housing Solutions was established to deal with repossessed properties and non-performing loans held by the banks, while the National Home Builders Registration Council was set up to provide building warranties and ensure sound building practices.<sup>58</sup> [<sup>58</sup> 1997/98 Survey, p318]

### **Mortgage Indemnity Fund**

The purpose of the MIF was to cover accredited lenders if they were unable to repossess properties through the normal legal channels once default had occurred.<sup>59</sup> [<sup>59</sup> Ibid] In the period June 1995 to February 1998, financial institutions had provided some 139 985 loans worth R10bn in areas covered by the MIF, according to the minister of housing, Ms Sankie Mthembi-Mahanyele. Some 78 000 loans, worth R4bn, were granted in the government's subsidised housing market. The MIF provided cover in 543 areas previously denied housing, according Ms Mthembi-Mahanyele. Some 188 of these were new development areas in which 271 000 housing units were provided.<sup>60</sup> [<sup>60</sup> Information provided by the Department of Housing, 25 September 1998]

The MIF was a short-term government initiative and its activities came to an end in May 1998.

### **National Urban Reconstruction and Housing Agency**

The purpose of the National Urban Reconstruction and Housing Agency (Nurcha) was to facilitate the delivery of adequate housing by removing financial obstacles to the provision of subsidised housing. By the end of December 1998 Nurcha had approved guarantees for 37 loans to emerging contractors. Some 2 300 homes were built by emerging contractors under this scheme by the end of December 1998.<sup>61</sup> [61 National Urban Reconstruction and Housing Agency, 1998 annual report, p16]

## **Servcon Housing Solutions**

Servcon Housing Solutions was established in July 1995 as a joint venture between banks and the government to deal with repossessed properties and bond defaulters. Between April 1998 and December 1998 Servcon had negotiated the rescheduling of 2 460 loans and the rightsizing of 2 819 leases. During the same period some 7 522 rental agreements were signed, according to Servcon.<sup>62</sup> [62 Fax communication from Mr Denis Creighton, managing director of Servcon, 2 February 1999] Ms Mthembi-Mahanyele said in September 1998 that Servcon's success rate had been inhibited by a number of factors. These included the unco-operative attitude of occupants of properties, activities of some civic/resident structures, the ineffectiveness of the legal process, a lack of availability of alternative housing, and an increasing number of defaulters outside Servcon programmes.<sup>63</sup> [63 Information supplied by the Department of Housing, 25 September 1998]

## **National Home Builders Registration Council**

The National Home Builders Registration Council (NHBRC) was established in June 1995 to protect consumers from bad practice by construction companies. In February 1999 the council said that it had spent R17m since 1997 on handling claims, inspecting newly built homes, and protecting consumers. By February 1999 the council had received more than 2 500 complaints against home builders, according to the managing director of the council, Mr Peter Allsop. He said that 70% of the complaints had been resolved through the council's intervention.<sup>64</sup> [64 *Sowetan* 2 February 1999] In May 1999 the council said that some 5 765 home builders were registered with the council. During the same period the council received some 3 412 complaints against home builders. A total of 2 599 of the complaints were finalised. Some 182 home builders were deregistered, while 280 were suspended. A total of 85 368 homes were enrolled under the council's Defects Warranty Scheme. Only homes enrolled under the scheme were covered against structural defects. The warranty was valid for five years and covered the foundation, wall, and roof structure of the new home.<sup>65</sup> [65 Information provided by Ms Annerine Riga, communications officer, National Home Builders Registration Council, 14 May 1999]

## **DOMESTIC ENERGY**

### **Legislation**

No new legislation had been passed at the time of writing.

## Sources of Energy

The 1996 census provided a breakdown by race of the source of energy used by the country's 9.1m households for cooking, heating, and lighting in 1996:<sup>66</sup> [66 Stats SA, *Population Census* 1996]

### *Household source of energy by race: 1996*

Cooking

*African*

Coloured

Indian

White

Other

*All races<sup>a</sup>*

Electricity direct from authority

1 973 996

557 655

237 670

1 437 864

39 503

**4 246 688**

Electricity from other source

13 687

1 880



274

2 641

136

**18 618**

Gas

212 989

42 618

2 600

26 723

1 727

**286 657**

Paraffin

1 886 002

49 117

1 228

1 714

5 800

**1 943 861**

Wood

1 981 251

80 553

640

3 084

7 692

**2 073 220**

Coal

314 074

4 046

145

1 623

943

**320 831**

Animal dung

105 345

351

29

125

219

**106 069**

Other

46 652

4 987

1 055

8 717

2 218

**63 629**

All<sup>a</sup>

6 533 996

741 207

243 641

1 482 491

58 238

9 059 571

***Heating***

Electricity direct from authority

1 811 606

525 983

236 385

1 398 692

37 617

**4 010 283**

Electricity from other source

13 933

2 012

309

4 107

206

**20 567**

Gas

74 525

8 769

848

22 894

654

**107 690**

Paraffin

1 254 009

31 559

975

4 612

3 809

**1 294 964**

Wood

2 275 112

122 616

1 291

9 941

8 764

**2 417 724**

Coal

715 856

10 547

546

6 360

2 323

**735 632**

Animal dung

83 680

409

17

174

166

**84 446**

Other

305 277

39 311

3 270

35 710

4 698

**388 266**

All<sup>a</sup>

6 533 998

741 206

243 641

1 482 490

58 237

9 059 571

***Lighting***

Electricity direct from authority

2 829 808

616 089

239 896

1 459 861

42 990

**5 188 644**

Electricity from other source

22 677

3 365

225

5 721

193

**32 181**

Gas

32 342

1 867

141

1 043

118

**35 511**

Paraffin

1 105 936

32 482

862

1 537

3 196

**1 144 013**

Candles

2 485 860

83 205

1 369

3 174

9 423

**2 583 031**

Other

57 375

4 197

1 147

11 155

2 316

**76 190**

All<sup>a</sup>

6 533 998

741 206



243 641

1 482 490

58 237

9 059 571

*Source:* Statistics South Africa

a

Figures should add up horizontally and vertically but may not, owing to adj

From the statistics provided by Stats SA it is clear that some households which had electricity used it for lighting, and not for heating or cooking, preferring gas or paraffin instead. Some 47% of households used electricity for cooking, 44% for heating, and 58% for lighting.

Some 30% of Africans used electricity for cooking compared to 97% of whites. Electricity was used for heating by 28% of African and 94% of white households. Some 43% of African households used electricity for lighting compared to 98% of whites, according to Stats SA.

The table below provides a breakdown of the source of energy by province for cooking, heating, and lighting in 1996.<sup>67</sup> [<sup>67</sup> Ibid]

***Source of energy by province: 1996***

*Province*

EC

FS

Gau

KN

Mpu

***Cooking***

## Electricity direct from authority

23%

42%

73%

46%

35%

## Electricity from other source

0%<sup>b</sup>

0%<sup>b</sup>

0%<sup>b</sup>

0%<sup>b</sup>

0%<sup>b</sup>

## Gas

3%

4%

2%

3%

2%

## Paraffin

29%

36%

19%

18%

17%

Wood

38%

9%

1%

30%

26%

Coal

0%<sup>b</sup>

7%

4%

2%

18%

Animal dung

5%

2%

0%<sup>b</sup>

1%

0%<sup>b</sup>

Unspecified/other

1%

1%

1%

1%

1%

**All<sup>a</sup>**

100%

100%

100%

100%

100%

***Heating***

Electricity direct from authority

21%

39%

70%

43%

33%

Electricity from other source

0%<sup>b</sup>

0%<sup>b</sup>

0%<sup>b</sup>

0%<sup>b</sup>

0%<sup>b</sup>

Gas

1%

1%

1%

1%

1%

Paraffin

27%

22%

9%

11%

8%

Wood

44%

14%

2%

35%

29%

Coal

1%

20%

13%

4%

22%

Animal dung

4%

2%

0%<sup>b</sup>

1%

0%<sup>b</sup>

Unspecified/other

3%

3%

4%

5%

6%

**All<sup>a</sup>**

100%

100%

100%

100%

100%

***Lighting***

Electricity direct from authority

31%

57%

79%

53%

56%

Electricity from other source

0%<sup>b</sup>

0%<sup>b</sup>

0%<sup>b</sup>

0%<sup>b</sup>

0%<sup>b</sup>

**Gas**

1%

0%<sup>b</sup>

0%<sup>b</sup>

0%<sup>b</sup>

1%

**Paraffin**

39%

7%

2%

5%

10%

**Candles**

28%

35%

17%

40%

31%



## Unspecified/other

1%

0%<sup>b</sup>

1%

1%

1%

## All

In October 1998 the National Electricity Regulator (NER) announced plans to introduce a subsidy, or 'poverty tariff', in 1999 to reduce the cost of basic cooking and lighting electricity for poor households. According to the scheme, the government would subsidise more than half of South African households that had electricity. Households earning below R1 500 a month (some 60% of households in 1996) and those earning under R500 a month (some 25% of households) would qualify for poverty tariffs. Other consumers, however, were expected to share part of the bill for the subsidy with the state's electricity utility, Eskom. Eskom was also expected to be responsible for the implementation of the subsidy. According to the chief executive officer of the NER, Mr Magate Sekonya, the consumption patterns of subsidy recipients would be monitored to prevent abuse.<sup>68</sup> [<sup>68</sup> *The Star, Business Day* 23 October 1998, *Mail and Guardian* 25 September 1998] The plan had not been implemented at the time of writing.

## Electrification

The minister of minerals and energy, Mr Penuell Maduna, said that the national electrification programme would be 'fundamentally' restructured. Attention would be focused on rural areas. He said that the National Electrification Co-ordinating Committee was established in April 1999 to advise the government on electrification policies and also recommend strategies for the programme.<sup>69</sup> [<sup>69</sup> *Business Day* 14 April 1999, *The Star Business Report* 9 April 1999]

## Targets

The government's electrification target was 2.5m new electrical connections throughout South Africa between 1994 and 1999, of which Eskom would deliver 1.75m new connections and local authorities 750 000.<sup>70</sup> [<sup>70</sup> 1997/98 Survey, p311]

## Connections

Some 59% of households in South Africa had electricity by the end of 1997, according to the NER. Since 1991 some 2.5m new connections were made. (The national electrification programme was being undertaken mainly by the state's electricity utility, Eskom, and local governments.) The 1997 target of 437 419 new connections was exceeded by about 7% (469 760 new connections were made).<sup>71</sup> [<sup>71</sup> National Electricity Regulator, *Lighting up South Africa, Progress Report on Electrification*, 1997]

The table below shows the number of electrical connections made in the period 1994–97.<sup>72</sup> [<sup>72</sup> Ibid]

***Number of electrical connections made: 1994–97***

1994	
1995	
1996	
1997	
Total	
Eskom	
254 383	
313 179	
307 047	
274 345	
1 148 954	
Local government	
129 951	
118 173	
126 057	

184 217

558 398

Farmworkers<sup>a</sup>

16 838

15 134

9 414

11 198

52 584

Other

34 584

32 281

11 477

—

78 342

**All**

435 756

478 767

453 995

469 760

1 838 278

Source: National Electricity Regulator

a

Farmworker housing was electrified by various authorities.

The following table shows the proportion of houses in both urban and rural areas which had electrical connections in 1995

*Proportion of households with electricity by province: 1995–97*

Urban

Rural

Province

1995

1996

1997

1995

1996

1997

Eastern Cape

67%

71%

74%

6%

13%

20%

Free State

68%

71%

82%

33%

37%

41%

Gauteng

78%

79%

80%

54%

53%

54%

KwaZulu-Natal

79%

82%

84%

14%

18%

20%

### Mpumalanga

59%

63%

74%

37%

50%

60%

### North West

70%

73%

80%

21%

28%

34%

### Northern Cape

76%

79%

85%

47%

64%

64%

### Northern Province

71%

73%

74%

24%

30%

35%

### Western Cape

88%

89%

90%

47%

50%

51%

### All

77%

79%

82%

21%

27%

32%

*Source:* National Electricity Regulator

Whereas over 80% of households in urban areas had electricity in 1997, just under one third in rural areas had electricity. However, the proportion of households electrified in rural areas increased from 21% to 32% between 1995 and 1997. In urban areas it increased from 77% in 1995 to 82% in 1997.

The following graph shows the proportion of households in both urban and rural areas which had electrical connec

The number and proportion of households without electricity in each province in 1997 is shown in the table below.<sup>74</sup> [<sup>74</sup> National Electricity Regulator, *Lighting up South Africa*, 1997]

***The number and proportion of households without electricity by province: 1997***

*Province*

Total number of households

Number of households without electricity

Proportion of households without electricity

Eastern Cape

Urban

507 966

133 073

26%



**Rural**

922 249

734 719

80%

**All**

1 430 215

867 792

61%

*Free State*

**Urban**

367 996

66 423

18%

**Rural**

253 438

150 767

59%

**All**

621 434

217 190

35%

*Gauteng*

Urban

1 748 694

346 771

20%

Rural

71 524

33 058

46%

**All**

1 820 218

379 829

21%

*KwaZulu-Natal*

Urban

846 301

135 327

16%

Rural

1 015 880

812 693

80%

**All**

1 862 181

948 020

51%

*Mpumalanga*

Urban

203 402

53 202

26%

Rural

408 767

161 635

40%

**All**

612 169

214 837

35%

*North West*

## Urban

235 796

46 295

20%

## Rural

500 643

328 127

66%

## All

736 439

374 422

51%

## *Northern Cape*

### Urban

121 689

18 760

15%

### Rural

66 350

23 665

36%

**All**

188 039

42 425

23%

*Northern Province*

Urban

125 563

32 594

26%

Rural

960 723

620 308

65%

**All**

1 086 286

652 902

60%

*Western Cape*

Urban

830 641

83 788

10%

Rural

141 955

70 261

49%

All

972 596

154 049

16%

Sou

The graph below gives a breakdown of households without electricity in both urban and rural areas in 1997.

The following table shows the number of households without electricity in both urban and rural areas in the country as a whole:<sup>75</sup> [75 Ibid]

***The number and proportion of households without electricity in South Africa: 1997***

Total number of households<sup>a</sup>

Number of households without electricity

Proportion of households not electrified

Urban

4 988 048

916 233

18%

Rural

4 341 529

2 935 233

68%

All

9 329 577

3 851 466

41%

*Source:* National Electricity Regulator

a

The figure of 9.3m households was calculated by the National Electricity Regulator as at December 1997. This obviously differs from earlier figures quoted in this chapter of 9.1m households from the 1996 census.

The graph below compares the total number of households with and without electricity by province i

The NER said in its report that the electrification drive was being hampered by a lack of funding as well as by non-payment by consumers. The remoteness of rural communities from the power grid also delayed progress on electrification in those areas.<sup>76</sup> [76 Ibid]

In 1995 some 3.3m rural and 1.1m urban households were without electricity. Some 21% of rural and 77% of urban households had electricity in 1995 (see 1996/97 Survey, pp732–735).

## MUNICIPAL SERVICES

### Refuse Disposal

Methods of refuse disposal in 1996 by race are shown in the following table:<sup>77</sup> [<sup>77</sup> Stats SA, *Population Census 1996*]

***Refuse disposal by race: 1996***

African

Coloured

Indian

White

Unspecified/ other

***All***

Removed by local authority once a week

37%

80%

96%

90%

71%

**51%**

Removed by local authority less often

3%

1%

0%



0%

1%

**2%**

Communal refuse dump

4%

4%

0%

1%

2%

**3%**

Own refuse dump

42%

11%

2%

6%

15%

**32%**

None

13%

2%

1%

0%  
6%  
**9%**  
Unspecified/other  
2%  
2%  
1%  
2%  
5%  
**2%**  
All  
100%  
100%  
100%  
100%  
100%  
100%  
100%

*Source:* Statistics South

The following table provides a provincial breakdown of methods of refuse disposal in 1996:<sup>78</sup> [78 Ibid]

***Refuse disposal by province: 1996<sup>a</sup>***

EC

FS

Gau

KN

Mpu

NW

NC

NP

WC

*All*

Removed by local authority once a week

34%

61%

83%

43%

38%

35%

68%

11%

84%

**52%**

Removed by local authority less often

2%

4%

4%

1%

2%

1%

2%

1%

2%

**2%**

Communal refuse dump

2%

4%

3%

3%

3%

4%

5%

3%

4%

**3%**

Own refuse dump

40%

25%

7%

41%

47%

52%

20%

67%

8%

**33%**

None

22%

6%

3%

11%

9%

7%

4%  
18%  
2%  
**10%**  
All  
100%  
100%  
100%  
100%  
100%  
100%  
100%  
100%  
100%  
100%  
100%  
100%

*Source:* Statistics South Africa

a

Figures should add up vertically but may not, owing to round

## **COMMUNICATIONS**

### **BIRD'S EYE VIEW**

Progress was made in expanding South Africa's communication network during the period under review. Since 1995 some 1.7m new postal addresses had been provided, and 1.3m new telephone lines installed. However, in 1999 the South African Telecommunications Regulatory Authority imposed a R3.3m fine on Telkom after it had failed to meet some of its service quality targets for 1998/99.<sup>1</sup> [<sup>1</sup> *Business Day* 26 July 1999]

In February 1999 the minister for posts, telecommunications, and broadcasting, Mr Jay Naidoo, said that a third cellular telephone operator was expected to be licensed by July 1999. According to Mr Naidoo, negotiations on the further privatisation of Telkom would begin once 'significant progress' had been made in meeting Telkom's developmental goals. At the time of writing the licence had not been awarded.

The South African Post Office continued its drive to end irregularities which had plagued it. Some 570 employees were dismissed for various crimes committed inside the post office, including theft and fraud.

South Africa's road network faced the danger of decline and deferred maintenance. In September 1999 the Department of Transport said that there was a R43bn backlog in terms of road maintenance, repair, and upgrading.

Subsidy targeting was identified as being 'ineffective' in the public transport system. This was because subsidy mechanisms continued to benefit middle-income earners in the formal workforce more than the poor. The most accessible mode of transport to the poor, taxis, still received no government subsidies. By April 1999 it was estimated that 50% of illegal taxi operators had begun legalising their operations.<sup>2</sup> [<sup>2</sup> *The Citizen* 28 May 1999] In 1996 the National Taxi Task Team (NTTT) reported that the violence in the industry was the result of failure to create effective mechanisms to control and regulate itself.

In 1996 some 2.8m urban passengers were classified as 'stranded' because they lacked affordable basic access to motorised transport. Some 67% of the stranded lived in townships with an average travelling distance of 20km from central business districts or other work locations.

The cabinet was expected to take a decision after the general election on proposed legislation to convert all freeways in Gauteng into toll roads. The first phase of the toll road strategy was to toll all freeways in the Pretoria–Johannesburg corridor, including national freeways.

During the period under review the Department of Transport published its business plan for 1999/2000. Among other things, the plan aimed to remove the rail subsidy system through the establishment of a negotiated concession agreement between the South African Rail Commuter Corporation (SARCC) and Metrorail for a five-year period. In 1997/98 the government's rail subsidies contributed some 60% of SARCC's total expenditure.

In June 1999 some 20% of South African Airways (SAA) was sold to Switzerland's airline company,

Swissair, for R1.4bn.

## KEY POINTS

- By April 1999 there were 2 454 postal service points in South Africa, according to the South African Post Office. These comprised 1 355 full-time post offices, 140 post points, and 959 postal agencies.
- Since 1995 some 1.7m new postal addresses have been provided, but 3.4m households (37%) did not have postal addresses.
- An independent audit published in 1999 indicated that 90% of national mail was being delivered by the required time (within three days locally and five further afield). The remaining 10% was being delivered only one or two days later. (The audit excluded mail which failed to arrive at its destination.)
- The post office's subsidy would be reduced from R283m in 1999/2000 to R143m in 2000/01, a 50% decrease. According to the 1999 *National Expenditure Survey*, by 2001/02 the post office would no longer be provided with government subsidies.
- Some 24% of African households did not have access to a telephone in 1996, compared to only 6% of coloured people, and 1% of whites and Indians respectively.
- In 1996 some 29% of South Africans had access to a telephone in their dwelling or to a cellular telephone, while 18% had no access to a telephone.
- Some 386 426 new telephone lines were installed in 1997/98, of which 71% were in 'underserved' areas.
- By March 1998 some 4% of the African population owned cellular telephones, compared with 3% of coloured people, 4% of Indians, and 19% of whites.
- In November 1999 Telkom announced a 10.5% increase in local telephone rates which would come into effect at the beginning of 2000. International call rates would drop by 10%.
- South Africa had 780 000 active Internet users as at August 1998, according to a report from BMI-TechKnowledge (BMI-T).
- By the end of 1998 some 1.3m South Africans had access to the Internet, according to Media Africa and Acuity Group Holdings.
- Approximately 9m people were dependent on public transport in 1996. According to Moving South Africa (the government's 20-year transport strategy), some 5.4m people could not afford any form of



motorised transport, and had to walk or cycle to get to their destinations.

- By March 1999 the total length of national roads was 7 000km, provincial roads 331 000km, and municipal roads 100 000km. According to the minister of transport, Mr Mac Maharaj, there were about 87 000km of roads in South Africa which were unmapped and were not reflected in the inventories of any management bodies.
- By September 1999 there was a R43bn backlog in terms of road maintenance.

## **POSTAL SERVICES**

### **Legislation**

#### **Postal Services Act of 1998**

The Postal Services Act of 1998 made provision for the regulation and control of postal services. The act aimed, among other things, to promote the ‘universal and affordable provision of postal services’ and to protect the interests of postal users. A postal regulator was established to ensure access to postal services for all South Africans, and to regulate the sector. In particular, the regulator would monitor and protect the exclusive rights of the post office with respect to reserved postal services (reserved postal services include all letters, postcards, small parcels, and other postal articles, the issuing of postage stamps, and the provision of roadside collection and address boxes). In terms of the act, the post office has a licence to provide reserved postal services for a period of 25 years. Reserved postal services also include all items weighing up to one kilogram. Rate increases would be regulated through a price-cap method, which linked tariff increases to the rate of inflation.<sup>3</sup> [<sup>3</sup> Postal Services Act, no 124 of 1998, *Government Gazette* no 19540, 2 December 1998; *Sowetan* 30 March 1999]

### **Statistics**

#### **Targets**

The post office aimed to provide 400 000 postal addresses each year in order to meet its target of providing 4m new address post boxes by 2000.<sup>4</sup> [<sup>4</sup> 1997/98 Survey, p378]

#### **Implementation**

Some 300 979 new postal addresses were provided in 1997/98. According to the South African Post Office, a total of 1.7m new postal addresses had been provided since 1995. There were some 5.9m postal addresses in use in 1998, an increase of 5% over 1997.<sup>5</sup> [<sup>5</sup> Information provided by Mr Ben Rootman, South African Post Office, 8 June 1999] By April 1999 there were 2 454 postal service points in South Africa, according to

the South African Post Office. These comprised 1 355 full-time post offices, 140 post points, and 959 postal agencies. The number of full-time post offices increased by 1% in 1999 compared to 1998, when there were some 1 338 full-time post offices.<sup>6</sup> [<sup>6</sup> Information supplied by the South African Post Office, 9 April 1999]

An independent audit published in 1999 indicated that 90% of national mail was being delivered on or before time (within three days inside a province and within five further afield). The remaining 10% was being delivered only one or two days later, according to the audit. The audit excluded mail which failed to arrive at its destination. It was solely based on mail received, not mail posted.<sup>7</sup> [<sup>7</sup> *Sowetan* 30 March 1999]

In May 1999 the post office announced that it had invested more than R300m in building three mail centres (where mail was sorted) since 1994. According to the chairman of the South African Post Office, Mr Max Maisela, a fourth mail centre was expected to be built in Pretoria in 1999 at a cost of R60m. The centre would start operating by the middle of 2000. The other three mail centres were in Cape Town, Durban, and Johannesburg. Mr Maisela said that about 40% of South Africa's 8m mail items was sorted in the Johannesburg mail centre.<sup>8</sup> [<sup>8</sup> *The Citizen* 10 May 1999]

In May 1999 the government announced that it had short-listed Canada Post International and the New Zealand/Royal Mail consortium for a strategic management partnership contract with the South African Post Office. According to Mr Naidoo, the contract would last for five years. The introduction of the management partner formed part of the government's plan to turn the post office around to reach break-even point. In July 1999, the New Zealand/Royal Mail consortium was chosen as the preferred bidder. As a result of the contract, postal subsidies would be phased out by 31st March 2001, the minister for communications, Dr Ivy Matsepe-Casaburri, said in October 1999.<sup>9</sup> [<sup>9</sup> *The Star Business Report* 27 May, 17 July 1999; *Business Day* 27 May 1999, 1 October 1999]

## Finance

The post office's subsidy would be reduced from R283m in 1999/2000 to R143m in 2000/01, a 50% decrease, according to the 1999 *National Expenditure Survey*. The government subsidy would be phased out completely in 2001/02.<sup>10</sup> [<sup>10</sup> Department of Finance, *National Expenditure Survey 1999*, p217] Mr Maisela said that the 1999/2000 subsidy would be used largely to recapitalise the post office, and to expand postal services to previously unserved areas.<sup>11</sup> [<sup>11</sup> *Sowetan* 30 March 1999]

In July 1998 the post office announced a reduction in its operating loss from more than R700m in the 1996/97 financial year to R271m in 1997/98. According to the managing director of the post office, Mr Frank Touwen, the reduction was mainly due to revenue gains and expense reductions. Mr Touwen said that turnover had increased by about 25% to R2.5m in 1997/98.<sup>12</sup> [<sup>12</sup> *The Citizen* 7 July 1998]

## Tariffs

Postal tariffs increased on average by 9% in April 1999, compared to a 10% increase in 1998 and a 42% increase in 1997.<sup>13</sup> [<sup>13</sup> *Business Day* 4 March 1998] The cost of mailing a standard letter increased by 10 cents from R1,10 to R1,20. The increases were 'inflation-linked', according to the general manager of communication of the South African Post Office, Mr Sandile Madolo.<sup>14</sup> [<sup>14</sup> *The Citizen* 24 March 1999]

## **Irregularities at the Post Office**

In December 1998 the South African Post Office said that 570 of its employees had been dismissed since April 1998 after being found guilty of postal theft or fraud. During the same period another 95 employees had been disciplined by means of warnings, suspensions, and demotions, while more than 150 members of the public had been arrested for tampering with letters and parcels.<sup>15</sup> [<sup>15</sup> *Ibid* 23 December 1998]

A national forensic audit would be conducted at the post office 'as a matter of urgency'. The minister for posts, telecommunications, and broadcasting, Mr Jay Naidoo, said in May 1999 that the audit would follow a 10-month forensic audit of the post office's salary scheme, which resulted in the suspension of five senior officials in May 1999. A total of 104 post office managers were investigated for alleged fraud and more suspensions were expected. Mr Naidoo said that other allegations of fraud and corruption made by unions, management, and employees had resulted in the decision to extend the forensic audit.<sup>16</sup> [<sup>16</sup> *Ibid* 15 May 1999, *Business Day* 18 May 1999]

## **TELECOMMUNICATIONS**

### **Privatisation and Competition**

In July 1998 the South African Telecommunications Regulatory Authority (Satra) recommended that two additional cellular telephone licences be awarded in 1999 (South Africa already had two cellular telephone operators). The announcement followed a study initiated by Satra which found that there was scope for two more cellular licences to service disadvantaged communities. According to the chairman of Satra, Mr Nape Maepa, the decision to award additional licences was a 'positive and viable' move to benefit the poor in 'undepennetrated areas'.<sup>17</sup> [<sup>17</sup> *The Star Business Report* 3 August 1998]

However, in February 1999 the minister for posts, telecommunications, and broadcasting, Mr Jay Naidoo, said that the government and Satra had decided that a fourth licence was 'currently not viable'. A third cellular telephone operator was expected to be licensed by July 1999. According to Mr Maepa, the decision to postpone the issuing of a fourth licence was a result of global economic conditions. He said that by July 2001 Satra would study the feasibility of a fourth operator.<sup>18</sup> [<sup>18</sup> *The Citizen* 20 February 1999] The third licence had not been awarded at the time of writing.

In May 1999 Mr Naidoo said that the wholesale privatisation of Telkom could not be done at present.

(Until 1997 Telkom was wholly state-owned. In 1998 the utility was partially privatised with the sale of 30% of its equity to Telekom Malaysia and SBC International, an American company.) A further 10% of its equity, set aside for black empowerment, including trade union investors, was expected to be finalised by the end of 1999 (see also 1997/98 Survey, p379). According to Mr Naidoo, negotiations on the further privatisation of Telkom would begin once 'significant progress' was made in meeting Telkom's developmental goals (see *Targets* below).<sup>19</sup> [<sup>19</sup> *The Star* 10 May 1999]

## Employment Policy

See chapter on *Employment*.

## Legislation

No new legislation had been signed into law at the time of writing.

## State of Play

The table below provides a breakdown by race of the extent of access to a telephone in 1996.<sup>20</sup> [<sup>20</sup> Statistics South Africa (Stats SA), *The People of South Africa, Population Census 1996*, report no 1: 03-01-11, 1996]

### *Access to telephone by race: 1996*

African

Coloured

Indian

White

Other

*All races*

Telephone in dwelling/ cellular telephone

11%

43%

77%

89%

50%

**29%**

Access to telephone at neighbour

5%

15%

9%

1%

6%

**5%**

Access to public telephone

45%

26%

10%

7%

23%

**36%**

Access to telephone at a nearby location, eg work

6%

8%

2%

2%

4%

**5%**

Access to telephone not nearby

8%

2%

1%

0%<sup>b</sup>

3%

**6%**

None

24%

6%

1%

1%

10%

**18%**

Not stated

1%

0%<sup>b</sup>

0%<sup>b</sup>

1%

4%

**1%**

All<sup>a</sup>

100%

100%

100%

100%

100%

100%

*Source:* Statistics South Africa

a

Figures should add up vertically but may not, owing to rounding.

b

Too small to record.

The chart below shows access to telephones in South Af

Some 24% of African households did not have access to a telephone in 1996, compared to only 6% of coloured people, and 1% of whites and Indians respectively. According to Statistics South Africa, some 29% of South Africans had access to a telephone in their dwelling or to a cellular telephone, while 18%

had no access to a telephone.

Some 13% of African households had a telephone in their dwelling in 1995, compared to 37% of coloured people, 74% of Indian, and 84% of white households.<sup>21</sup> [<sup>21</sup> Central Statistical Service (CSS), *Living in South Africa*, 1996, pp33–35]

The following table shows the proportion of households with access to a telephone by province in 1996:<sup>22</sup> [<sup>22</sup> Stats SA, *Population Census 1996*]

***Access to telephone by province: 1996***

EC

FS

Gau

KN

Mpu

NW

NC

NP

WC

***All***

Telephone in dwelling/ cellular

16%

23%

45%

27%



18%

17%

31%

7%

55%

**29%**

Access to telephone at neighbour

5%

4%

3%

7%

4%

5%

14%

5%

8%

**5%**

Access to public telephone

25%

46%

41%

33%

49%

42%

31%

37%

27%

**36%**

Access at other nearby location, eg work

3%

8%

4%

5%

7%

9%

10%

6%

5%

**5%**

Access at other location not nearby

6%

7%

2%

8%

6%

8%

2%

13%

1%

**6%**

None

45%

12%

4%

20%

14%

19%

12%

30%

3%

**18%**

Not stated

1%

0%<sup>b</sup>

1%

1%

1%

0%<sup>b</sup>

0%<sup>b</sup>

1%

0%<sup>b</sup>

**1%**

**All<sup>a</sup>**

100%

100%

100%

100%

100%

100%

100%

100%

100%

100%

*Source: Statistics South Africa*

a

Figures should add up vertically but may not, owing to rounding.

b

Too small to record

The graph below gives a provincial breakdown of access to telephones in dwellings or to cellular telephones and no ac

## Implementation

### Targets

In 1997 Telkom was granted a licence to be the exclusive provider for a five-year period of public switched telecommunications services (PSTS). The licence was granted by the minister for posts, telecommunications, and broadcasting in terms of the Telecommunications Act of 1996 (see 1996/97 Survey, pp777–778). Telkom faced the prospect of a sixth year of being the sole provider of PSTS if it exceeded the line roll-out and service quality targets set out in its PSTS licence. These targets included the installation of 2.8m new telephone lines including 120 000 pay telephones, and the replacement of 1.25m analogue with digital lines, by 2001/02.<sup>23</sup> [<sup>23</sup> 1997/98 Survey, pp 381–382; Telkom annual report 1997/98, p10]

In January 1998 Mr Naidoo said that some 1.6m new telephone lines would be installed in underserved areas around South Africa to bring telephone penetration to ‘economically qualified’ households (ie households that could afford telephones) to more than 50%.<sup>24</sup> [<sup>24</sup> *Business Day* 21 January 1998]

### Connections

In the 1997/98 financial year some 386 426 new telephone lines were installed. Some 71% (275 218) were in ‘underserved’ areas. About 8% of the new lines were pay telephones. In total, some 1.8m new telephone connections were made between 1992/93 and 1998/99. The table below shows the number of new lines installed by Telkom per year from 1992/93 to 1998/99.<sup>25</sup> [<sup>25</sup> *The Star Business Report* 28 May 1999; telephonic interview with Mr Andrew Weldrick, Gauteng regional communications manager, Telkom, 3 June 1999; 1997/98

***Telkom's new telephone lines: 1992/93–1998/99****Year*

Number of new lines

Increase (decrease)

1992/93

142 000

N/A

1993/94

135 725

(4.4%)

1994/95

181 504

33.7%

1995/96

150 345

(17.2%)

1996/97

256 459

70.6%

1997/98

386 426

50.7%

1998/99<sup>a</sup>

507 750

31.4%

*Source:* Telkom

a

Number of telephone lines installed as at March 1999.

N/A – Not available.

The line graph below shows progress made in the installation of new lines between 1992/93

## Rural Access

Telkom said in its 1997/98 annual report that it provided first-time telephone lines to 461 villages.<sup>26</sup> [26 Telkom annual report 1997/98, p12] According to the 1999 *National Expenditure Survey*, telecommunications services in the form of tele-centres were being extended in disadvantaged communities. The report said that an estimated 100 tele-centres would be developed in each financial year at an estimated cost of R25m a year. In 1999/2000 seven multipurpose centres, comprising tele-education centres with electronic libraries, Internet access, telephones, and training services, were to be established at a cost of R6.7m. Another 12 centres were to be established in 2000/01 at a total cost of R11.7m.<sup>27</sup> [27 Department of Finance, *National Expenditure Survey*, 1999, p218]

According to Telkom's regional communications manager, Mr Hans van de Groenendaal, telephone lines in three quarters of rural KwaZulu-Natal homes were being cut every month because residents were failing to pay their bills. Mr van de Groenendaal said that poverty severely hampered service delivery in rural areas. He said that Telkom was compelled to cut off three out of every four newly installed telephones every month because people could not afford to pay monthly fees.<sup>28</sup> [28 *The Star* 24 November 1998]

In January 1998 Telkom launched a radio-based (or digital) telecommunications system in a North West

village. This system required low maintenance and could be deployed in a relatively short time. The launch was a first step in providing some 145 000 rural South Africans access to telephones by the end of 1998. About 95% of Telkom's 520 radio-based technology projects for 1998 were expected to be implemented in underserviced areas.<sup>29</sup> [<sup>29</sup> *Business Day* 21 January 1998]

## Cellular Telephones

Although some 1.9m people in South Africa (4.7% of the population) had cellular telephones by March 1998, the growth of the cellular telephone industry over the past four years had not narrowed the disparity between African and white communities in respect of telephone access, according to Satra. Some 4% of the African population owned cellular telephones, compared to 3% of coloured people, 4% of Indians, and 19% of whites.<sup>30</sup> [<sup>30</sup> Telefax communication from Ms Esta Gouws, head communications officer, South African Telecommunications Regulatory Authority, 8 October 1998; *Business Day* 31 March 1998]

In 1995 less than 1% of the African population had cellular telephones, compared to 1% of coloured people, 4% of Indians, and 8% of whites.<sup>31</sup> [<sup>31</sup> CSS, *Living in South Africa*, 1996, pp33–35]

In November 1998 the group executive (corporate affairs) of Vodacom, Ms Joan Joffe, said that cellular telephones were no longer a luxury and had become an 'essential tool' for business and safety. She said that half of Vodacom's subscribers were prepaid users. According to Ms Joffe, entrepreneurs in the informal sector were the highest users of prepaid air time. This was because cellular telephones were often the only option available to people doing business in historically disadvantaged areas.<sup>32</sup> [<sup>32</sup> *The Citizen* 25 November 1998]

## New Affordable Telephone Service

No new telecommunications initiatives aimed at low-income users were undertaken during the period under review. (See 1997/98 Survey, p384.)

## Use of the Internet

In June 1999 Media Africa and Acuity Group Holdings published the results of the third South African Internet Services Industry Survey. The survey divided the Internet market into three categories, namely, dial-up users accessing the Internet via Internet service providers, academic users gaining access at tertiary institutions, and corporate users gaining access through company networks. By the end of 1998 there were some 366 235 South Africans with access to the Internet through dial-up modems, an increase of 86% over 1997. According to the survey, the number of people with access to the Internet through dial-up modems was expected to grow by 60% by the end of 1999. Some 700 000 people had access to the Internet through corporate networks in 1998. The total number of students using the Internet in 1998 was estimated at 200 000. According to the survey, in total some 1.3m South Africans had access to the Internet in 1998. This was expected to increase to 1.8m by the end of 1999.<sup>33</sup> [<sup>33</sup>



Information provided by Mr Arthur Goldstuck, Media Africa and Acuity Group Holdings, 18 June 1999; 1997/98 Survey, pp384–385]

According to a report by BMI-TechKnowledge (BMI-T), South Africa had 780 000 active users as at August 1998 and expected close to 905 000 users by the end of 1998. The director of BMI-T, Mr Brian Neilson, said that other researchers had overestimated the market by double-counting Internet users who had access both at home and at work. More than 2m South Africans would be using the Internet by 2002, according to BMI-T.<sup>34</sup> [<sup>34</sup> *Business Day* 28 December 1998]

By February 1999 Telkom had connected some 600 schools in disadvantaged areas to the Internet.<sup>35</sup> [<sup>35</sup> *The Citizen* 9 February 1999] According to the 1999 *National Expenditure Survey*, some 2 000 schools would be provided with Internet access by 2000.<sup>36</sup> [<sup>36</sup> Department of Finance, *National Expenditure Survey 1999*, p217]

## Finance

In 1999/2000 the government would spend some R124m on the implementation of telecommunications, compared to R129m in 1989/99 (a decrease of 4%). In terms of the medium-term expenditure framework, R128m would be spent in 2000/01 (an increase of 3%) and R129m by 2001/02 (a 1% increase).<sup>37</sup> [<sup>37</sup> *Ibid*, p216]

## Tariffs

Telkom announced in October 1998 that local telephone rates would increase on average by 19% at the beginning of 1999. In 1996 a three-minute local call cost 24.1 cents and in 1997 it was increased to 30.9 cents, a 28% increase. In 1998 the cost was increased to 38.6 cents, a 25% increase. In 1999 an average three-minute local call cost 48 cents, a 24% increase over 1998. Telkom said the increases were necessary as the price of local calls had not covered the cost to Telkom. However, the National Communications Committee said that the increase in local rates meant that local calls were subsidising national and international calls, which was only possible as a result of Telkom's monopoly.<sup>38</sup> [<sup>38</sup> *Business Day* 16 October 1998, *The Citizen* 7 January 1999]

In March 1999 Telkom announced the reduction of its international call rates by an average of 8%. The price cuts ranged from 2% to 29% during standard time (8am to 8pm on weekdays) and from 2% to 30% in global off-peak time (8pm to 8am on weekdays and from 8pm on Fridays to 8am on Mondays). The chief executive officer of Telkom, Mr Sizwe Nxasana, said that international call rates had been reduced by an annual average of 12% since April 1997.<sup>39</sup> [<sup>39</sup> *The Star Business Report* 9 March 1999]

## TRANSPORTATION

### Legislation

## Road Accident Fund Commission Act of 1998

The Road Accident Fund Commission Act of 1998 provided for the establishment of a commission of inquiry to investigate the payment of compensation in the event of the injury or death of persons in road accidents. The commission would also make recommendations regarding a system of payment of compensation and benefits by the Road Accident Fund.<sup>40</sup> [<sup>40</sup> Road Accident Fund Commission Act, no 71 of 1998. *Government Gazette* no 19327, October 1998]

## Road Traffic Management Corporation Act of 1999

The Road Traffic Management Corporation Act of 1999 sought to phase out public funding in road traffic services and to introduce private sector investment on a competitive basis. The act also aimed to enhance the overall quality of road traffic service provision and, in particular, to ensure safety, security, and mobility on the roads. The act further established the Road Traffic Management Corporation as a partnership between national, provincial, and local government. The corporation would be an independent body bringing together all of South Africa's 7 000 road traffic officers from about 500 municipalities under one command. The objectives of the corporation were to eliminate fragmentation in road traffic management, to curb fraud and corruption, and to improve co-operation between levels of government.<sup>41</sup> [<sup>41</sup> The Road Traffic Management Corporation Act, no 20 of 1999, *Government Gazette* no 19970, 28 April 1999; *Business Day*, *The Star* 7 August 1998]

## National Road Traffic Amendment Act of 1999

The National Road Traffic Amendment Act of 1999 made provision for all motor vehicles to be registered and licensed. The act also made the registration and licensing of all manufacturers of number plates compulsory. The act enabled the minister of transport to set a date by which all driving licences that were included on an identity document would lapse. Motorists were required to replace licences contained in identity documents with smart-card driving licences over a five-year period, ending in 2003.<sup>42</sup> [<sup>42</sup> National Road Traffic Amendment Act, no 21 of 1999. *Government Gazette* no 19971, 28 April 1999; *The Citizen* 30 January 1998]

## Statistics

The number of potential urban passengers was expected to grow by 1.4% a year by 2020, according to Moving South Africa (MSA), the government's 20-year transport strategy, which was published in September 1998. The report said that approximately 9m people were largely dependent on public transport, which included bus, rail, and taxi services. Of those, some 5.4m people preferred to walk or cycle to get to their destinations. The table below shows the number and proportion of different urban passenger segments in 1996.<sup>43</sup> [<sup>43</sup> Department of Transport. *Moving South Africa, Towards a Transport Strategy for 2020, Report and Strategic Recommendations*, pp53-55, 7 September 1998]

## ***Number and proportion of different urban passenger segments: 1996***

### *Passenger segments*

Total number (million)

Proportion of urban population

Expected growth by 2020

Strider (prefers to walk or cycle)

5.4

23%

28%

Stranded (no affordable public transport available)

2.8

12%

28%

Survival (captive to cheapest public transport option)

4.1

17%

24%

Sensitive (captive to public transport but selects 'best' option)

2.1

9%

25%

Selective (can afford car but willing to use public transport)

4.1

19%

39%

Stubborn (uses car only)

3.0

19%

88%

**All**

21.5

100%<sup>a</sup>

38%

*Source:* Department of Transport

a

Figures may not add up, owing to ro

The pie chart below shows a proportional breakdown of passenger segments in 1996.

According to MSA, the ‘strider’ segment preferred to walk or cycle as the most convenient way to travel. The report said that the strider segment was generally satisfied with the length of time to travel, transport affordability, and availability since they enjoyed low-cost access to their destinations.

The transport system was failing the ‘stranded’ segment more than any other, according to MSA. This segment, which included school pupils and the unemployed, lacked affordable basic access to motorised

transport and therefore was unable to integrate with the rest of society or participate in the broader economy. The stranded segment's principal need was for low-cost public transport. Some 67% of the stranded lived in townships with an average travelling distance of 20km from central business districts or other work locations. Even formal transport modes such as bus and commuter rail were expensive and therefore unaffordable. The stranded who lived in the suburbs, informal settlements, or inner cities generally had access only to taxis, which was the most expensive transport mode. Taxis received no government subsidies.

More than 70% of the 'survival' segment passengers spent above 10% of their household income on transport services. In addition, 46% of this group spent more time travelling than they would like.

According to MSA, 47% of the 'sensitive' segment were satisfied with their travel times, 12% had a choice of three modes of transport, while 51% had a choice of two modes.

The 'selective' segment was expected to be one of the fastest growing in the future, with 39% growth expected between 1998 and 2020. This segment could afford a car but was willing to use public transport if it met their primary requirements of greater choice and convenience. Some 10% of this group had a choice of three modes of transport.

The final segment comprised the 'stubborn' customers. This group used only cars, and represented 3m people, or 19% of the urban population. This group was expected to grow by 88% between 1998 and 2020, which would create significant challenges for urban areas in terms of road infrastructure and congestion.<sup>44</sup> [<sup>44</sup> Ibid, p58]

The average public trip in South Africa in 1996 was 20km, which was 11km longer than in developing Asian countries, according to MSA. The result was that South African commuters spent almost 40% more time travelling than their Asian counterparts. The cost impact was even more 'dramatic', according to MSA. A hypothetical reduction of 10km in trip distances in Pretoria would save an estimated annual R350m in passenger fares, and R110m in bus and rail subsidies.<sup>45</sup> [<sup>45</sup> Ibid, pp54-55]

## Implementation

In March 1999 the Department of Transport published its business plan for 1999/2000. The report contained business plans of every parastatal and agency tied to the Department of Transport. In terms of passenger transport, the business plan aimed, among other things:<sup>46</sup> [<sup>46</sup> Department of Transport. *The Business Plan, 1999/2000*, March 1999]

- to remove the rail subsidy system through the establishment of a negotiated concession agreement between the South African Rail Commuter Corporation (SARCC) and Metrorail for a five-year period;
- to ensure that the registration and legalisation processes in the taxi industry were completed by the end

of 1999; and

- to devolve bus subsidies fully to the provinces by 2000/01.

## Finance

In 1999/2000 some R3.5bn would be spent on the implementation of transport programmes, compared to R3.6bn in 1998/99, a decrease of 3%. In terms of the government's medium-term expenditure estimate, R3.9bn would be spent in 2000/01 (an increase of 11%) and R4.3bn in 2001/02, (a 10% increase).<sup>47</sup> [<sup>47</sup> Department of Finance, *National Expenditure Survey*, 1999, p278]

## Air Travel

### Statistics

No new statistics were available at the time of writing.

## Rail Travel

In April 1999 the South African Rail Commuter Corporation (SARCC) concluded an agreement with Metrorail which gave Metrorail an exclusive concession to provide all rail commuter services for a five-year period. According to the Department of Transport's 1999/2000 business plan, the commuter rail network would be opened to 'competitive tendering' after Metrorail's concession period expired.<sup>48</sup> [<sup>48</sup> Department of Transport, *The Business Plan, 1999/2000*, pp78-79]

According to the SARCC, ageing and unreliable rolling stock had affected the efficiency and safety of rail services. According to a 1998 report by a consortium set up to study investment needs in SARCC, some R16bn was needed for upgrading. The consortium said that between R300m and R400m was needed annually over 40 years to refurbish and renew the rail fleet.<sup>49</sup> [<sup>49</sup> *Business Day* 21 October 1998] The corporation had thus embarked on a project to upgrade its existing rolling stock fleet and to purchase new coaches. The SARCC was expected to replace all its 4 500 suburban coaches over the next 40 years.<sup>50</sup> [<sup>50</sup> *Ibid*]

In 1998 Metrorail reduced the number of trains it ran in Gauteng and the Western Cape because of budget cuts. Metrorail warned the government that it would cut services countrywide, close stations, and retrench employees owing to a diminishing government subsidy (see *Finance* below). In December 1998 Metrorail cut the number of trains operating in Greater Johannesburg, Pretoria, the East Rand, and the Vaal in a bid to save R60m. According to the Pretoria regional executive officer of Metrorail, Mr Honey Mateya, the rail company was 'technically' bankrupt. He said that a delay in pulling out some of the trains would have caused overspending of R16m in Pretoria alone. The number of trains in Pretoria

dropped from 379 to 340 during the week, from 269 to 242 on Saturdays, and from 117 to 86 on Sundays. Major train services were also expected to be cut in KwaZulu-Natal.<sup>51</sup> [<sup>51</sup> *The Star* 25 November 1998; *Business Day* 25 November 1998]

In February 1999 Spoornet said that well-organised criminals in informal settlements along major railway lines and routes were targeting its property, and had caused losses of more than R187m in 14 months. According to the executive manager of asset protection services of Spoornet, Mr David Moore, the company's property stretched over vast areas and could not always be protected everywhere. This had resulted in large-scale thefts of copper cables and old railway lines. Mr Moore said that in many instances, cargo trains were stopped and robbed of their contents.<sup>52</sup> [<sup>52</sup> *The Citizen* 19 February 1999] Rail transportation was also plagued with high fare evasion, according to the managing director of SARCC, Mr Wynand Burger.<sup>53</sup> [<sup>53</sup> *Business Day* 21 October 1998]

In June 1999 the government's rail utility, Spoornet, announced the formation of a partnership between its business unit, Main Line Passenger Services, BJ's Fast Foods, and Fedics. The partnership was seen as a first step by Spoornet and its parent company, Transnet, to increase private sector involvement in the rail transport of passengers. According to the managing director of Transnet, Mr Saki Macozoma, the parastatal mainly transported cargo, with passenger transport accounting for only about 2% of the business. Mr Macozoma said that concessions to the private sector to operate passenger services were possible in future.<sup>54</sup> [<sup>54</sup> *Ibid* 1 July 1999]

In December 1998 the president of the National Association of Maize Producer Organisations (Nampo), Mr Japie Grobbelaar, said that the 'increasingly inefficient' rail and road transport system was a problem to South Africa's farmers. He said that Spoornet was having difficulty transporting 750 000 tonnes of maize to neighbouring countries such as Zimbabwe, Malawi, and Zambia. In 1992 South Africa was able to export 4m tonnes, but in 1998 it was battling to transport 1m tonnes because the rail system lacked locomotives, according to Mr Grobbelaar. He added that when exporting to other African countries, South Africa was becoming increasingly reliant on Zimbabwe.<sup>55</sup> [<sup>55</sup> *The Sunday Independent* 13 December 1998, *Business Day* 17 December 1998]

In July 1999 the state's transport company, Transnet, announced plans aimed at placing its rail subsidiary, Spoornet, on a sound economic footing by 2002. Among other things, Transnet recommended that up to 27 000 of Spoornet's employees be retrenched by 2000 to cut costs. Some 9 600km of non-profitable railways would also be privatised or closed (ie 48% of the 20 000km total railway network).<sup>56</sup> [<sup>56</sup> *Mail and Guardian* 1 October 1999, *The Citizen* 9 July 1999] Spoornet made a profit of R573m in 1998 but lost R139m in 1999 and warned that any delay in implementing the restructuring plan would lead to losses of up to R100m a month.<sup>57</sup> [<sup>57</sup> *Sunday Times Business Times* 18 July 1999, *Business Day* 22 September 1999] According to the managing director of Transnet, Mr Saki Macozoma, Spoornet's poor financial performance was a result of changing market conditions since road freight was deregulated in 1988. Since 1988 road had become more competitive than rail, according to Mr Macozoma.<sup>58</sup> [<sup>58</sup> *The Star*

22 September 1999] In September 1999 it was reported that Spoornet was retrenching about 1 000 employees a month on a voluntary basis. Spoornet said that it had embarked on the voluntary retrenchment programme while the government was considering all its options to restructure the parastatal.<sup>59</sup> [<sup>59</sup> *Business Day* 22 September 1999]

## Statistics

### *Commuter Travel*

The table below provides a regional breakdown of commuter passenger journeys from 1994/95 to 1997/98 (the latest year for which figures are available).<sup>60</sup> [<sup>60</sup> South African Rail Commuter Corporation (SARCC), annual report 1998, p17]

#### *Regional breakdown of commuter passenger journeys by rail: 1994/95–1997/98*

##### *Region*

1994/95 (million)

1995/96 (million)

1996/97 (million)

1997/98 (million)

Increase 1994/95–1997/98

East London

4.1

4.1

4.3

4.8

17%

KwaZulu-Natal



73.2

77.6

76.3

77.4

6%

Northern Gauteng

72.6

74.5

77.0

79.1

9%

Port Elizabeth

2.6

2.8

3.1

2.8

8%

Western Cape

127.1

126.9

139.0

154.6

22%

Witwatersrand

133.9

156.8

158.3

178.0

33%

**All**

413.5

442.7

458.0

496.7

20%

*Source:* South African Rail Commuter Corpo

The Witwatersrand and Western Cape regions had the highest proportion of all commuters in 1997/98—36% and 32% respectively. The rail network in these two regions accounted for some 63% of the total rail network, as shown in the table below.<sup>61</sup> [61 Ibid]

***Stations and length of rail network by regions: 1998***

*Region*

Number of rail stations

## Proportion of total<sup>a</sup>

Rail network (km)

## Proportion of total<sup>a</sup>

East London

18

4%

49

4%

KwaZulu-Natal

102

21%

208

18%

Northern Gauteng

78

16%

120

10%

Port Elizabeth

11

2%

43

4%

Western Cape

102

21%

370

32%

Witwatersrand

167

35%

360

31%

**All**

478

100%

1 150

100%

*Source:* South African Rail Commuter Corporation

a

Figures should add up vertically but may not, owing to ro

## Finance

In 1999/2000 some R1.2bn would be spent on rail subsidies, compared to R1.4bn in 1998/99 (a decrease of 14%). In terms of the government's medium-term expenditure estimate, some R1.2bn would be spent on rail subsidies in 2000/01 (no increase), and R1.3bn in 2001/02 (an increase of 8%).<sup>62</sup> [<sup>62</sup> Department of Finance, *National Expenditure Survey 1999*, p278]

The government subsidies paid to the SARCC amounted to R1.4bn in 1995/96, the same amount in 1996/97, R1.2bn in 1997/98, and R1.4bn in 1998/99.<sup>63</sup> [<sup>63</sup> Ibid, p284] In 1997/98 the government's rail subsidies accounted for some 60% of SARCC's total expenditure.<sup>64</sup> [<sup>64</sup> SARCC, annual report 1998, p21] According to the 1999 *National Expenditure Survey*, SARCC started making losses during 1997, and during 1998 the government had to provide it with a further R300m to meet its commitments. The government would launch an investigation in 1999 to identify ways of dealing with the financial position of SARCC.<sup>65</sup> [<sup>65</sup> Department of Finance, *National Expenditure Survey 1999*, p284]

## Road Travel

### Roads

#### ***Construction and Maintenance***

By March 1999 the total length of national roads was 7 000km, provincial roads 331 000km, and municipal roads 100 000km. According to the minister of transport, Mr Mac Maharaj, there were about 87 000km of roads in South Africa which were unmapped and were not reflected in the inventories of any management body.<sup>66</sup> [<sup>66</sup> Information provided by the minister of transport, Mr Mac Maharaj, 29 March 1999]

In September 1999 the Department of Transport said that there was a R43bn backlog in terms of road maintenance, repair, and upgrading. According to the new minister of transport, Mr Dullah Omar, some R2.9bn was needed annually to repair existing national roads to 'acceptable levels'. This did not include repair costs to provincial roads, which made up the majority of South Africa's road network. (Mr Omar succeeded Mr Mac Maharaj as minister of transport after the general election in June 1999.)<sup>67</sup> [<sup>67</sup> *The Star* 7 September 1999; telephonic discussion with the media liaison officer of the Ministry of Transport. Mr Michael Mabasa, 8 September 1999]

According to Moving South Africa (MSA), the paved national road network in South Africa covered just under 60 000km, but faced the danger of decline and deferred maintenance. Some 18% of national roads were rated as being in 'very good condition'. Roads in urban areas were increasingly congested. Although urban areas accounted for 68% of total kilometres of national roads, they carried 93% of

congestion.<sup>68</sup> [68 Department of Transport, *Moving South Africa*, 7 September 1998, pp65,79]

According to MSA, some 85% of roads to rural villages were 'inadequate', compared with 32% to farming communities. However, there was very little consistent data to show how many roads connecting a rural community to the tertiary road network were needed, or how many needed significant rebuilding. According to the report, estimates ranged between 43 000km and 200 000km of road, at a cost of between R3bn and R17bn.<sup>69</sup> [69 Ibid]

Overloaded trucks were costing the country about R600m a year in damage to national roads, the Department of Transport said.<sup>70</sup> [70 *The Star* 24 May 1999] According to a transport economist, Professor Gavin Maasdorp, studies revealed that approximately 35% of all heavy vehicle traffic was overloaded.<sup>71</sup> [71 *The Star Business Report* 26 February 1999]

According to the Department of Transport's 1999/2000 business plan, the South African National Roads Agency (Sanra) spent the following on roads in 1998/99:<sup>72</sup> [72 Department of Transport, *The Business Plan, 1999/2000*, 1999, p58]

- R185m on routine road maintenance;
- R158m on planned road maintenance (planned maintenance included periodic and special extensive road maintenance);
- R173m on the rehabilitation and upgrading of national roads; and
- R51m on safety related maintenance, which included rut repair, lighting, replacement of road signs, and repainting of traffic markings.

### *Toll Roads*

According to Sanra, since 1995 there have been two types of toll roads in South Africa. State toll roads were funded through loans with a government guarantee. Private sector-financed and maintained toll roads were operated by the private sector through a concession agreement with Sanra in respect of each toll road.<sup>73</sup> [73 Ibid, p56]

Sanra used the 'user pays' principle as a means of financing road development, according to the Department of Transport's 1999/2000 business plan. The report said that private sector participation in financing road construction and maintenance was expected to increase in future where roads could be operated as private businesses. Sanra was said to be evaluating five new projects which were open for private sector bidding.<sup>74</sup> [74 Ibid]

In April 1999 Mr Maharaj said that the cabinet would take a decision after the 1999 general election on proposed legislation to convert all freeways in Gauteng into toll roads. Mr Maharaj said that the tolling strategy was aimed at addressing road backlogs, ensuring adequate long-term maintenance of the road network, and developing improved access to marginalised areas. He added that the long-term user costs to motorists would be lower from tolling than from the accumulated costs of congestion and damage to cars caused by damaged roads.<sup>75</sup> [<sup>75</sup> *The Citizen* 20 April 1999]

In June 1999 the N3 toll concession contract was signed between Sanra and the consortium chosen to fulfil the contract, N3 Toll Concession (N3TC). The concession meant that the consortium would be called upon to design, construct, finance, operate, and maintain the 420km toll-road from Heidelberg in Gauteng to Cedara in KwaZulu-Natal. Construction of the toll road was expected to begin by 2008 and would take about 40 months to complete.<sup>76</sup> [<sup>76</sup> *Engineering News* 11 June 1999]

## **Safety**

Some 8 841 people died in traffic collisions in South Africa in 1998, according to Mr Maharaj. The total number of fatalities arising from minibus crashes was 1 449 (or 16%). It was estimated that some 65% of minibus crashes in 1998 involved minibus taxis (not all minibuses were used as taxis), according to Mr Maharaj. The total estimated cost of road accidents to the economy for the period January to November 1998 was R15.2bn. The table below provides a breakdown of road accident casualties and related costs in 1997 and 1998.<sup>77</sup> [<sup>77</sup> Information provided by the minister of transport, Mr Mac Maharaj, 29 March 1999]

### ***Costs of road accident casualties: 1997–98***

#### *Casualties*

Jan–Nov 1997

Jan–Nov 1998

Increase (decrease)

Cost: Jan–Nov 1997 (Rbn)

Cost: Jan–Nov 1998 (Rbn)

Increase (decrease)

Killed

8 850

8 123

(8%)

2.7

3.0

11%

### Seriously injured

35 941

32 394

(10%)

2.9

3.2

10%

### Slightly injured

84 418

75 602

(10%)

1.9

2.1

11%

### No injury



385 008

395 152

3%

7.1

6.9

(3%)

**All**

514 217

511 271

(1%)

14.6

15.2

4%

*Source:* Minister of Transport

The table below indicates the number of vehicles involved in collisions in 1996 and 1997 (the latest year for which information was available)

***Number of vehicles involved in collisions: 1996–97***

*Vehicles*

1996

Proportion of total

1997

Proportion of total

Increase (decrease) 1996–97

Motor car and minibus

643 708

73%

614 737

72%

(5%)

Light delivery van

137 650

16%

139 018

16%

1%

Heavy commercial vehicle

44 636

5%

44 043

5%

(1%)

Passenger bus

10 206

1%

9 809

1%

(4%)

Articulated vehicle unit

2 326

0%<sup>a</sup>

2 291

0%<sup>a</sup>

(2%)

Other<sup>b</sup>

43 279

5%

47 346

6%

9%

**All**

881 805

100%

857 244

100%

(3%)

Source: Statistics South Africa

a

Proportion too small to record.

b

‘Other’ includes motor cycles, pedal cycles, vehicles drawn by animals, and tractors.

The pie chart below shows the type of vehicles involved in collisi

Some R106m was spent on the Arrive Alive campaign between October 1997 and April 1999, according to Mr Maharaj. (The campaign was introduced in 1997 to reduce road deaths by 5% annually.) The Road Accident Fund contributed R83m to the campaign, Glenrand MIB R2m, and the Department of Transport R21m. Local authorities also indirectly bore some of the costs, according to Mr Maharaj.<sup>79</sup> [<sup>79</sup> *Business Day* 11 February 1999]

Deaths resulting from road accidents for the whole of 1998 dropped by 6% over 1997, according to findings in the Department of Transport’s 1999 audited report. According to the report, some 9 691 people were killed on South Africa’s roads in 1997. In 1998 the number decreased to 9 068. Serious and slight injuries were both reduced by 8%. The drop—which was attributed to the Arrive Alive campaign—had saved the country about R475m in 1998. According to the minister of transport, Mr Dullah Omar, since its inception the campaign had exceeded its target of an annual 5% reduction of fatalities.<sup>80</sup> [<sup>80</sup> *The Star* 24 June 1999]

## Bus Transport

### Subsidies

In 1999/2000 some R1.3bn would be spent on bus subsidies, compared to R1.2bn spent in 1998/99.

According to the 1999 *National Expenditure Survey*, total expenditure on bus subsidies would grow to R1.4bn in 2000/01 (an 8% increase) and R1.5bn in 2001/02 (a 3% increase).<sup>81</sup> [<sup>81</sup> Department of Finance, *National Expenditure Survey 1999*, p278]

One of the biggest problems with the public transport system was the ‘ineffectiveness’ of subsidy targeting, according to MSA. Different tiers of government spend some R2.8bn annually to subsidise long-distance buses, municipal buses, and commuter rail services. However, the subsidy mechanisms continued to benefit middle-income earners in the formal workforce rather than the poor. MSA said that 20% of bus subsidies went to municipal services in primarily white, higher-income suburbs.<sup>82</sup> [<sup>82</sup> Department of Transport, *Moving South Africa*, 7 September 1998, p58]

## Private Vehicles

### **Statistics**

No statistics on the number of people using private vehicles to commute to their destinations were available at the time of writing.

## Taxi Industry

In May 1999 the government signed a memorandum of understanding with the taxi industry aimed at paving the way for the replacement of the industry’s ageing fleet and its absorption into South Africa’s formal economy. The memorandum committed the South African Taxi Council (Sataco) to act against ‘violent elements’ in the industry, and participate in the regulation of the industry by ensuring that its members’ operations were legal. Sataco also had to implement a programme of acceptable labour practices within the industry. In terms of the memorandum, the government had to find a solution to the industry’s recapitalisation crisis. It also had to legalise illegal operations within agreed parameters and provide taxi operators with training.<sup>83</sup> [<sup>83</sup> *Business Day* 28 May 1999]

### **Statistics**

There were an estimated 120 000 taxi operators in South Africa by April 1999, according to Mr Maharaj. The following table shows the number of taxi operator permits by province.<sup>84</sup> [<sup>84</sup> Information provided by the minister of transport. Mr Mac Maharaj, 15 April 1999]

#### ***Total number of taxi operator permits by province:<sup>a</sup> April 1999***

*Province*

Number of permits issued

## Proportion of total

Eastern Cape

5 503

5%

Free State

12 460

11%

Gauteng

36 163

32%

KwaZulu-Natal

24 950

22%

North West

13 950

12%

Northern Cape

950

1%

Northern Province

13 821

12%

Western Cape

6 500

6%

All<sup>b</sup>

114 297

100%

*Source:* Minister of Transport

a

Figures for Mpumalanga and Umtata in the Eastern Cape were not available at the time of writing.

b

Figures should add up vertically but may not, owing to rounding.

There were an estimated 40 000 illegal taxi operators by April 1999. Mr Maharaj said, however, that some 50% of the illegal taxi operators had already begun the process of legalising their o

## **Finance**

Taxis, the most accessible mode of transport for the majority of the poor, did not receive any subsidies in 1998. According to *Moving South Africa*, the 'misallocation of state funds' was demonstrated by the 'stranded' segment (see Statistics under Transportation above). Some 78% of the stranded had access to taxis, whereas only 21% had access to commuter rail, which was the lowest priced and most subsidised transport mode.<sup>86</sup> [<sup>86</sup> Department of Transport, *Moving South Africa*, 7 September 1998, p58]

## **Violence**

See chapter on *Security*.

## KEY PROJECTIONS

- More than 2m South Africans would be using the Internet by 2002, according to BMI-TechKnowledge.
- Some 2 000 schools were expected to be provided with Internet access by 2000.
- The number of people who used only cars to travel would grow by 88% by 2020. According to Moving South Africa, the number of people who preferred to walk or cycle to their destination would increase by 28% during the same period.
- A total of 12 multipurpose centres, comprising tele-education centres with electronic libraries, Internet access, telephones, and training services, were expected to be established in 2000/01 at a total cost of R11.7m.
- The number of South Africans with access to the Internet would increase from 1.3m in 1998 to 1.8m by the end of 1999, according to Media Africa and Acuity Group Holdings.
- The number of potential urban passengers was expected to increase by 1.4% a year by 2020.
- The number of people without affordable public transport (the stranded), is expected to increase by 28% by 2020.

## HEALTH AND WELFARE

### BIRD'S EYE VIEW

The HIV/AIDS epidemic continued to deepen during the period under review, with an estimated 3.6m South Africans HIV positive by the end of 1998. In October 1998 the minister of health, Dr Nkosazana Zuma, and the nine provincial health MECs decided not to go ahead with a project to provide HIV-infected pregnant women with the drug Zidovudine (AZT). (An AZT prescription during all stages of pregnancy could reduce mother-to-child transmission of HIV by up to 70%.) Dr Zuma said that the AZT treatment would have 'a limited effect' on the AIDS epidemic because individuals already infected would be targeted. The decision raised a storm of protest from AIDS activists, doctors, and the media. In June 1999 the new minister of health, Dr Manto Tshabalala-Msimang, said that the question of whether to provide AZT free of charge to rape victims and to pregnant HIV-positive women would be reviewed.<sup>1</sup>

[<sup>1</sup> *Pulse Track* 26 March 1999; 25 June 1999]

In April 1999 Dr Zuma gazetted regulations to make AIDS deaths notifiable on an anonymous basis.



She said that this would enable the government to monitor the scale and nature of the epidemic in order to plan and target its interventions properly.<sup>2</sup> [Ibid 19 March 1999] However, AIDS experts argued that many AIDS deaths could go undetected anyway and lead to the credibility of AIDS statistics being undermined: Firstly, AIDS patients were known to die of related complications such as tuberculosis (TB) or pneumonia; secondly, under-re-sourced medical personnel in clinics and hospitals would not have the time, incentives, or funds to test every dead or dying patient for AIDS and to report the results to the Department of Health; and thirdly, as people could live with the AIDS virus for many years, statistics based on AIDS deaths would be out of date and therefore unreliable for planning purposes.<sup>3</sup> [3 *Financial Mail* 30 April 1999; *Business Day* 14 July 1999, *Pulse Track* 6 August 1999, *Business Day*, *The Citizen* 20 September 1999]

In 1998 the prevalence rate among HIV-positive women attending antenatal clinics increased by 43% nationally over 1997. The population growth rate was projected to fall significantly by 2010 as a result of AIDS. It was estimated that by 2010 the population growth rate would drop by 71% owing to AIDS. It was also estimated that some 6m people in South Africa would be HIV positive by 2005, with more than 18% of the workforce infected by 2005.

In May 1999 it was reported that deaths in KwaZulu-Natal had exceeded births for the first time. The alarming levels of the AIDS/HIV epidemic was said to be the major cause of the province's 'negative' population growth.

In September 1999 the South African and US governments reached a verbal 'understanding' on the issue of parallel importation of drugs, as provided for in the Medicines and Related Substances Control Amendment Act of 1997 (see 1997/98 Survey, pp217-218)" According to a US trade representative, Ms Charlene Barshefsky, South Africa gave the assurance that it would comply with the World Trade Organisation Agreement on Trade-Related Intellectual Property Rights (Trips). At the time of writing some 40 pharmaceutical companies, both local and international, had suspended their litigation which challenged the constitutionality of the act. However, according to the chief executive of the Pharmaceutical Manufacturers' Association, Ms Mir-ryena Deeb, the litigation would only be withdrawn if the act was amended in such a way that compliance with the Trips agreement was made clear.

Maternal deaths were made notifiable during the period under review to enable the Department of Health to investigate such deaths and to reduce the rate. A 1998 report on maternal deaths found that delay in seeking medical help was a prominent feature of such deaths occurring from septic abortions and related complications. Since the Choice on Termination of Pregnancy Act had taken effect in February 1997, more than 46 000 abortions were performed countrywide.

During the period under review medical universities were criticised for accepting lower proportions of African students than of students from other races. In March 1999 the National Assembly's health portfolio committee criticised medical schools for 'a disproportionately high number' of white and Asian medical students. The criticisms were contained in a report based on hearings conducted in 1998 with the deans of medical faculties. The committee said that historically white medical schools did not

have a specific admission policy designed to redress the 'historic imbalances of the apartheid era'. Medical schools replied that it was unfair to blame universities for slow transformation. They blamed the 'crisis' on a shrinking pool of matriculants obtaining matriculation exemption since 1991. The eight medical schools thus had to compete for students.<sup>4</sup> [<sup>4</sup> *Pulse Track* 18 March 1999; *The Star* 18 February 1999]

During the period under review the Department of Welfare continued its crackdown on social grants fraud in South Africa. The department said that progress was made in eliminating inefficiency and duplication, while people not qualifying for social grants were being removed from the system. Some 25 000 cases of unlawful receipt of benefits had been uncovered during the 1997/98 financial year.

In 1998 Parliament passed the Medical Schemes Act, which compelled medical aid schemes to accept any applicant who could pay the average contribution, regardless of age or health risk. Medical aid schemes analysts warned that the act could push up premiums beyond the reach of many intended beneficiaries. They said that medical aid schemes were likely to be flooded by people with health problems such as HIV infection, who were previously excluded because of their high risk to schemes.

The Aged Persons Amendment Act of 1998 made provision for the prohibition of physical, mental, and financial abuse of aged people. In terms of the act, medical personnel or social workers should notify the Department of Welfare if they suspected that an elderly person has been abused or injured.<sup>5</sup> [<sup>5</sup> Aged Persons Amendment Act, no 100 of 1998, *Government Gazette* no 19514, 27 November 1998]

## KEY POINTS

- Some 20% of maternal deaths during pregnancy were attributed to hypertension, according to a 1998 report on maternal deaths. The report found that 15% of maternal deaths were due to non-pregnancy-related infections, the most common being AIDS.
- The 1998 *South Africa Demographic and Health Survey* showed disparities among races in terms of infant mortality. Africans had the highest infant mortality (47), followed by coloured people (18.8), and whites (11.4).
- In 1998 the maternal mortality rate in South Africa was 150 deaths per 100 000 live births, according to the survey.
- In the period 1991–95 infant mortality in South Africa dropped by some 26%, according to Statistics South Africa.
- More than 46 000 safe abortions were performed in South Africa during 1998, the Department of Health said.
- Of the 71 303 people infected with the tuberculosis virus in 1998, 73% were Africans. Some 24% were

coloured people, while 1% were Indians and whites respectively.

- KwaZulu-Natal had the highest HIV-infection rate for women attending antenatal clinics in 1998. The prevalence rate in KwaZulu-Natal was 32%, followed by Mpumalanga with 30%. In the period 1993–98 Mpumalanga recorded the highest rate of increase—1 150%.
- The Department of Health estimated that approximately 3.6m people were HIV positive by the end of 1998.
- The National Cancer Registry said that a total of 149 815 new cancer cases were reported between 1993 and 1995. The lifetime risk of developing cancer was higher for men (one in six) than for women (one in seven).
- Some 14 000 patients with stab wounds were treated at the Oliver Tambo Memorial Hospital in Gauteng over a period of 18 months in 1998 and 1999, according to the minister of health, Dr Manto Tshabalala-Msimang. More than 6 500 patients with gunshots were treated at the Johannesburg Hospital, while more than 24 000 assault victims were treated at the Oliver Tambo Memorial, about 13 000 at the Chris Hani Baragwanath, and more than 8 000 at the Edenvale hospitals over the same period.
- Some R1.3bn was distributed monthly to about 3m beneficiaries of pensions and various social grants in 1998, according to the 1999 *National Expenditure Survey*. Old-age pensioners accounted for two thirds of both the number of beneficiaries and the total expenditure on grants. Disability grants accounted for a quarter.
- Some R20m destined for welfare payments was stolen from 1996 to August 1998, according to the minister for welfare and population development.

## HEALTH INDICATORS

### Infant Mortality Rates

The table below provides a racial breakdown of infant mortality rates in South Africa from 1984 to 1994 (the latest year for which information was available).<sup>6</sup> [6 Department of Health, *Health Trends in South Africa*, 1995/96, p15]

#### *Infant mortality rate<sup>a</sup> by race: 1984–94*

*Race*

1984

1985

1986

1987

1988

1989

1990

1991

1992

1993

1994

African

61

60

50

56

55

53

51

51

50

50

49

**Coloured**

40

38

35

33

31

28

26

26

25

24

23

**Indian**

17

15

13

20

17

13

11

11

10

9

9

**White**

11

9

7

12

13

9

9

9

9

8

8

**All**

51

50

42

47

47

44

43

43

42

42

41

*Source:* Department of Health

a

Number of deaths of infants under one year per 1 000 live births.

The line graph below shows the infant mortality rate by race from 1984

In 1996 the Institute for Futures Research (IFR) at the University of Stellenbosch estimated that South Africa's infant mortality rate over the ten-year period from 1996 to 2006 would decline by 20%. However, the Medical Research Council (MRC) said that infant mortality estimates by other organisations varied considerably. Some of the differences could be accounted for by the exclusion of the former homelands. These areas probably experienced high infant mortality rates, and their inclusion had increased the average rate. The infant mortality rate in South Africa was not known with any certainty, according to the MRC.

The following table provides a provincial breakdown of infant mortality rates from 1991 to 2026, the post-1996 figures being projections (figures are based on the 1991 census):<sup>7</sup> [<sup>7</sup> 1997/98 Survey, pp185–186; telephonic discussion with Ms Nadine Nanaan, Medical Research Council, 3 August 1999; *South African Medical Journal* December 1998 Nanaan, Medical Research Council, 3 August 1999; *South African Medical Journal* December 1998]

***Estimated infant mortality rate<sup>a</sup> by province: 1991–2026***

*Province*

1991–96

1996–2001

2001–06

2006–11

2011–16

2016–21

2021–26

Eastern Cape

56.3

50.8

45.4

40.1

34.9

30.0

25.3

Free State

54.6

49.3

44.2



39.1

34.1

29.3

24.8

### Gauteng

60.3

53.8

47.6

41.2

34.9

28.6

22.3

### KwaZulu-Natal

54.5

49.2

44.1

39.0

34.0

29.2

24.7

### Mpumalanga

55.2

49.9

44.8

39.6

34.6

29.8

25.3

North West

55.7

50.3

45.0

39.8

34.8

30.0

25.4

Northern Cape

55.3

48.8

42.4

36.1

30.2

24.9

20.0

Northern Province

56.5

51.1

45.8

40.6

35.4

30.5

25.9

Western Cape

53.4

46.9

40.6

34.3

28.3

22.8

17.6

**All**

56.1

50.4

44.9

39.5

34.3

29.2

24.4

*Source:* Institute for Futures Research

a

Number of deaths of infants under one year per 1 000 live births.

The table below provides statistics for infant mortality by sex from 1991 to 1995 (the latest year for which information was

***Infant mortality<sup>a</sup> by sex: 1991–95***

*Year*

Females

Increase (decrease)

Males

Increase (decrease)

***Total***

Increase (decrease)

1991

8 488

—

9 697

—

**18 185**

—

1992

7 976

(6%)

9 600

(1%)

**17 576**

(3%)

1993

8 267

4%

9 584

(0%)

**17 851**

2%

1994

8 026

(3%)

9 306

(3%)

**17 332**

(3%)

1995

10 621

32%

12 244

32%

**22 865**

32%

*Source:* Statistics South Africa

a

Actual number of deaths recorded in a specific year.

The graph below compares infant mortality by sex from 1991

The total number of infant deaths in 1995 increased by 32% compared to 1994. Infant mortality showed a drop in 1992 compared to 1991, and in 1994 compared to 1993 (3% in each period).

## Maternal Mortality

Maternal deaths were made notifiable in 1997 to enable the Department of Health to investigate every maternal death. A 1998 report on maternal deaths found that 20% of deaths during pregnancy were attributable to hypertension. Some 18% of maternal deaths were attributed to non-pregnancy-related infections, the most common being AIDS. The third most common factor was bleeding (14%), followed by early pregnancy losses (12%), which included septic abortions. Pre-existing maternal diseases contributed to 11% of maternal deaths. The report also found that delay in seeking medical help was a prominent feature of maternal deaths occurring from septic abortions and complications of hypertension.<sup>9</sup>

[<sup>9</sup> Department of Health, 1999 annual report, pp47–48]

One of the aims of the Choice on Termination of Pregnancy Act of 1997 (also 1997/98 Survey, p214) was to reduce the number of deaths from unsafe abortions. According to the Department of Health, during 1998 more than 46 000 safe abortions were performed countrywide. The department added that abortion services were not uniform in all provinces because provinces which were more rural had fewer facilities that offered abortions.<sup>10</sup> [<sup>10</sup> Ibid, p48; Government Communication and Information System, *Government's Report to the Nation*, 1998, p34]

## Diseases

### Notifiable and Communicable Disease Statistics

The table below provides provincial figures on seven of the 33 notifiable diseases (diseases which have to be reported to the Department of Health) for 1997 and 1998 (the seven diseases include the most common notifiable diseases in the country).<sup>11</sup> [<sup>11</sup> Department of Health, *Epidemiological Comments*, 1 March 1999; Telephonic discussion with Dr Rose Mulumba, Department of Health, 5 October 1999]

#### *Notifiable diseases in South Africa according to province:1997 and 1998<sup>a</sup>*

Malaria

Measles

Meningococcal infection

Tetanus

Province

1997

1998

1997

1998

1997

1998

1997

1998

Eastern Cape

4

7

50

82

15

12

5

2

Free State

46

27

80



98

3

0

1

0

Gauteng

556

214

163

114

68

21

2

1

KwaZulu-Natal

11 425

13 352

213

102

16

28

1

2

## Mpumalanga

5 708

5 852

57

79

8

3

2

2

## North West

329

194

56

25

1

0

2

1

## Northern Cape

15

8

10

11

4

16

0

1

## Northern Province

4 814

3 413

164

198

0

0

3

4

## Western Cape

53

29

221

95

214

139

0

0

Outside South Africa<sup>b</sup>

146

396

0

0

0

1

0

0

**All**

23 096

23 492

1 014

804

329

*Notifiable diseases in South Africa according to province:1997 and 1998<sup>a</sup> (continued)*

Tuberculosis

Typhoid

Viral hepatitis

Province

1997

1998

1997

1998

1997

1998

Eastern Cape

9 367

13 124

166

173

74

60

## Free State

6 210

6 692

3

1

72

40

## Gauteng

9 061

9 410

24

10

296

240

## KwaZulu-Natal

10 075

9 672

49

35

96

205

## Mpumalanga

2 347

3 098

71

44

52

50

## North West

6 733

5 576

8

0

14

18

## Northern Cape

2 362

2 587

0

3

20

28

Northern Province

1 947

2 112

98

92

109

141

Western Cape

15 034

18 964

6

10

309

322

Outside South Africa<sup>b</sup>

28

68

0

3



0

2

**All**

63 164

71 303<sup>c</sup>

425

371

1 042

1 106

*Source:* Department of Health

a

Figures for 1998 covered the period January to November 1998.

b

Source of infection outside the borders of South Africa.

c

Total as calculated by the South African Institute of R

The table below compares the number of notified cases of certain diseases with the number of deaths reported in the period 1995–98.<sup>12</sup> [<sup>12</sup> Ibid]

*Number of notified cases and deaths of selected diseases: 1995–98<sup>a</sup>*

—1995—

—1996—

—1997—

—1998—

Disease

Cases

Deaths

Cases

Deaths

Cases

Deaths

Cases

Deaths

Cholera

2

0

0

0

3

0

32

0

### **Congenital syphilis**

917

15

654

4

401

5

139

9

### **Diphtheria**

6

0

0

0

2

0

4

0

### **Leprosy**

60

0

13

1

30

0

24

1

**Malaria**

5 992

12

29 172

166

23 096

84

23 492

169

**Measles**

6 891

3

10 526

24

1 014

4

804

1

**Meningococcal infection**

394

35

448

22

329

31

220

25

**Poliomyelitis**

0

0

0

0

0

0

0

0

Tetanus

40

13

38

8

16

4

9

1

**Tuberculosis**

85 099

2 922

78 031

2 978

63 164

1 959

71 303<sup>a</sup>

2 741

Typhoid fever

753

19

631

11

425

17

371

9

**Viral hepatitis**

1 517

57

1 851

30

1 042

3

1 106

25

Whooping cough

54

0

26

1

13

20

33

0

*Source:* Department of Health

a

Total as calculated by the South African Institute of Race Relations.

The graph below shows the reported number of cases of selected diseases

### ***Malaria***

In the period January to November 1998, some 23 492 cases of malaria were reported to the Department of Health. The table below provides a provincial breakdown of the number of malaria cases reported in 1997 and 1998.<sup>13</sup> [<sup>13</sup> Ibid, May 1998, 1 March 1999]

#### ***Cases of malaria reported in each province: 1997–98***

Number of cases reported

Increase (decrease)

Province

1997

1998<sup>a</sup>



Eastern Cape

4

7

75%

Free State

46

24

(48%)

Gauteng

556

214

(62%)

KwaZulu-Natal

11 425

13 352

17%

Mpumalanga

5 708

5 852

3%

North West

329

194

(41%)

**Northern Cape**

15

8

(47%)

**Northern Province**

4 814

3 413

(29%)

**Western Cape**

53

29

(45%)

**Outside South Africa<sup>b</sup>**

146

396

171%

**All**

23 096

23 492

(2%)

*Source:* Department of Health

a

Figures for 1998 were incomplete and covered only January to September.

b

Source of infection outside the borders of South Africa.

A total of 169 people died from malaria in the period January to November 1998, an increase of 101% compared to the whole of 1997, according to the Department of Health.<sup>14</sup> [<sup>14</sup> Ibid, 1 March 1999]

The following table shows the number of notified malaria cases in South Africa from

***Malaria notifications in South Africa:1975–98***

*Year*

Notifications

Increase/(decrease)

1975

1 821

–

**1976**

1 747

4.1%

1977

2 513

43.8%

**1978**

7 103

182.7%

1979

2 022

(71.5%)

**1980**

3 109

53.8%

1981

2 343

(24.6%)

**1982**

2 184

(6.8%)

1983

2 130

(2.5%)

**1984**

4 642

117.9%

1985

11 358

144.7%

**1986**

7 491

(34.0%)

1987

10 371

38.4%

**1988**

9 317

(10.2%)

1989

7 055

(24.3%)

**1990**

6 822

(3.3%)

1991

4 693

(31.2%)

**1992**

2 872

(38.8%)

1993

11 580

303.2%

**1994**

10 049

(13.3%)

1995

5 973

(40.6%)

**1996**

29 172

388.4%

1997

23 096

(20.8%)

**1998<sup>a</sup>**

23 492

**2.0%***Source:* Department of Health

a

Figures for 1998 covered the period January to November 1998.

The graph below shows trends in malaria noti

In March 1999 the Medical Research Council (MRC) said that in 1999 South Africa was likely to face its worst year for the incidence of malaria and deaths resulting from it. The Department of Health said that more than 8 000 cases and 37 malaria deaths had been reported in the first two months of 1999 alone.<sup>16</sup> [<sup>16</sup> *Pulse Track* 16 March 1999]

According to the World Health Organisation (WHO), an estimated R13bn would be required annually to combat global malaria. The WHO said that a new global campaign was expected to start in sub-Saharan Africa, which had the highest number of sufferers. According to the WHO's estimates, global deaths resulting from malaria were between 1.5m and 2.7m annually, with 90% in Africa.<sup>17</sup> [<sup>17</sup> *The Star* 5 May 1999]

## ***Tuberculosis***

According to the MRC, about 107 000 cases of tuberculosis (TB) were diagnosed in 1997.<sup>18</sup> [<sup>18</sup> *Pulse Track* 24 March 1998]

The table below compares the number of reported TB cases in 1997 and 1998 by province.<sup>19</sup> [<sup>19</sup> Department of Health, *Epidemiological Comments*, May 1998, 1 March 1999]

### ***Number of TB cases reported by province: 1997–98***

## Cases reported

Increase (decrease)

### Province

1997

1998<sup>a</sup>

### Eastern Cape

9 367

13 124

40%

### Free State

6 210

6 692

8%

### Gauteng

9 061

9 410

4%

### KwaZulu-Natal

10 075

9 672



(4%)

**Mpumalanga**

2 347

3 098

32%

**North West**

6 733

5 576

(17%)

**Northern Cape**

2 362

2 587

10%

**Northern Province**

1 947

2 112

8%

**Western Cape**

15 034

18 964

26%

Outside South Africa

28

68

143%

**All**

63 164

71 303<sup>b</sup>

13%

*Source:* Department of Health<sup>a</sup>

a

Figures for 1998 covered the period January to November 1998.

b

Total as calculated by the South African Institute of Race Relations.

The chart below compares the number of TB cases reported

Of the 71 303 people infected with TB in 1998, 73% were Africans, according to the Department of Health. Some 24% were coloured people, and 1% were Indians and whites respectively.<sup>20</sup> [<sup>20</sup> Ibid, 1 March 1999]

The table below shows a racial breakdown of the TB notification rate per 100 000 of the population for selected years between 1970 and 1995 (the latest year for which information in this form was available).<sup>21</sup> [<sup>21</sup> Department of Health, *Health Trends in South Africa*, 1995/96, p104]

***Tuberculosis notification rate per 100 000 of the population for selected years***

*Year*

African

Coloured

Indian

White

1970

361

330

152

22

**1975**

312

322

79

19

1980

216

335

89

13

**1985<sup>a</sup>**

185

429

84

15

1990

213

609

61

17

**1991**

191

652

57

15

1992

198

662

55

19

**1993**

207

713

51

19

1994

199

739

45

17

**1995**

179

671

69

16

*Source:* Department of Health

a

Excluding the former Transkei.

The TB notification rate for Africans dropped by 50% in the period 1970–95. However, the notification rate for coloured people increased by some 103%. The TB notification rates for Indians and whites in the period 1970–95 dropped by 55% and 27%

The graph below shows trends in the TB notification rate by race from 1970 to 1995.

In 1998 more than a quarter of clinics did not offer TB sputum testing, according to the 1998 *South African Health Review*. The report said that the availability of drugs to control TB was also poor, with over 40% of clinics having inadequate drug supplies, as shown in the table below.<sup>22</sup> [<sup>22</sup> Health Systems Trust, *South African Health Review*, 1998, p188]

***Proportion of clinics providing TB services: 1998***

*Province*

Proportion of clinics with TB drugs in stock

Proportion of clinics with daily TB service

Proportion of clinics which offered TB sputum test

Eastern Cape

44%

85%

58%

Free State

82%

82%

96%

Gauteng

81%

94%

94%

## KwaZulu-Natal

77%

65%

55%

## Mpumalanga

45%

79%

100%

## North West

61%

89%

75%

## Northern Cape

100%

89%

100%

## Northern Province

20%

82%

56%

## Western Cape

91%

84%

97%

## South Africa

59%

82%

74%

*Source:* Health Syst

## AIDS

### ***Statistics***

Nationally 23% of women attending antenatal clinics were infected with HIV, according to estimates provided by the ninth human immuno-deficiency virus (HIV) survey of women attending antenatal clinics in 1998. The Department of Health said that the figures translated to approximately 3.6m people or 8.6% of the total population being HIV positive by the end of 1998. The table below shows the proportion of women attending antenatal clinics who were infected with HIV in the period 1993 to 1998.<sup>23</sup> [<sup>23</sup> *Pulse Track* 4 March 1999]

### ***HIV-infection rates of women attending antenatal clinics: 1993–98***

*Province*

1993

1994

1995

1996



1997

1998

Increase 1993–98

Eastern Cape

1.9%

4.5%

6.0%

8.1%

12.6%

15.9%

737%

Free State

4.1%

9.2%

11.0%

17.5%

19.6%

22.8%

456%

Gauteng

4.1%

6.4%

12.0%

15.5%

17.1%

22.5%

449%

### KwaZulu-Natal

9.5%

14.4%

18.2%

19.9%

26.9%

32.5%

242%

### Mpumalanga

2.4%

12.2%

16.2%

15.8%

22.6%

30.0%

1 150%

North West

2.2%

6.7%

8.3%

25.1%

18.1%

21.3%

868%

Northern Cape

1.1%

1.8%

5.3%

6.5%

8.6%

9.9%

800%

Northern Province

1.8%

3.0%

4.9%

8.0%

8.2%

11.5%

539%

**Western Cape**

0.6%

1.2%

1.7%

3.1%

6.3%

5.2%

767%

**All**

4.0%

7.6%

10.4%

14.2%

16.0%

22.8%

470%

*Source: Pulse Track*

KwaZulu-Natal had the highest prevalence rate in 1998, and registered an increase of 20.8% over 1997. Compared to other provinces, KwaZulu-Natal also registered the lowest rate of increase in the period 1993–98. During the same period Mpumalanga had the highest rate of increase, some 1 150%.

In May 1999 it was reported that deaths in KwaZulu-Natal had exceeded births for the first time. A researcher for the University of Natal's department of demographics, Ms Karen Michaels, said that because of the alarming levels of the HIV/AIDS epidemic in KwaZulu-Natal, the province had started to experience negative population growth ahead of other provinces. According to the head of the Virology Department of the Medical School at the University of Natal, Professor Alan Smith, the mortality rate in the province had overtaken the birth rate because of the severity of the AIDS epidemic. Professor Smith said that South Africa would eventually experience a negative growth rate, but it was happening 'sooner' in KwaZulu-Natal.<sup>24</sup> [<sup>24</sup> *Saturday Star* 8 May 1999]

The bar chart below shows HIV-infection rates of women attending antenatal clinics from 19

According to the Department of Health, HIV-prevalence rates in teenage girls (15–19 years) increased from 13% in 1997 to 21% in 1998. Some 26% of women in the 20–24 year group, and 27% in the 25–29 year group were infected with HIV.<sup>25</sup> [<sup>25</sup> *Pulse Track* 4 March 1999]

The bar chart below shows the provincial rate of increase of HIV infection in women attending antenatal clinics in 1997 and 1998.

Metropolitan Life (Metlife) estimated that at the time of the 1998 antenatal survey, some 3.3m people were HIV positive (adults and children). Some 12% of the total adult population, and approximately 11% of the total working population were HIV positive. Some 405 000 people had already died of AIDS and 167 000 people were sick with AIDS, according to Metlife.<sup>26</sup> [<sup>26</sup> Information supplied by Metropolitan AIDS Research, 6 April 1999]

According to estimates by the Department of Health, more than 33 000 members of the South African Police Service (SAPS) were infected with HIV in 1998. This represented between 20% and 25% of the SAPS's 135 000 members. In December 1998 the national organiser of the South African Police Union, Ms Shamira Huluman, said that statistics from the union's death-benefit scheme showed that 200 union members had died of AIDS since 1996. However, a spokesman for the SAPS, Senior Superintendent Strini Govender, denied the claims. He said that the only figure available was that of 50 police officers

undergoing counselling and stabilisation treatment for AIDS.<sup>27</sup> [<sup>27</sup> *The Star* 1 December 1998]

By the beginning of 1998 more than 30m people worldwide, including 1.1m children under the age of 15 years, were HIV positive, according to the Institute for Futures Research at the University of Stellenbosch. Estimates provided by the United Nations Agency for AIDS (UNAIDS), showed that during 1997 there were some 16 000 new cases worldwide each day. More than 90% of these cases occurred in developing countries, with 21m in sub-Saharan Africa.<sup>28</sup> [<sup>28</sup> Institute for Futures Research (IFR), *Social Issues*, March 1999] (See also chapter on *Population*.)

## **Projections**

According to UNAIDS, the proportion of adults in South Africa who were HIV positive would increase steadily between 1997 and 2010, as shown in the table below.<sup>29</sup> [<sup>29</sup> UNAIDS, *HIV/AIDS and Human Development South Africa*, 1998, p66]

### ***Proportion of adults HIV positive in South Africa: 1997–2010<sup>a</sup>***

*Year*

Projections

1997

8.9%

**1998**

10.7%

1999

12.4%

**2000**

—

2001

15.3%

**2002**

16.5%

2003

17.6%

**2004**

18.6%

2005

19.5%

**2006**

20.6%

2007

—

**2008**

21.2%

2009

21.4%

**2010**

21.7%

*Source:* UNAIDS

a

Figures for 2000 and 2007 were

According to a report published by UNAIDS in 1998, by 2010 life expectancy in South Africa would fall from 68.2 years to 48 years as a result of AIDS—ie by some 30%. The population growth rate would also drop, from 1.4% to 0.4%, in the same period—ie by 71%.<sup>30</sup> [<sup>30</sup> Ibid, p65]

Some 5.6m people in South Africa would be HIV positive by 2005, according to Metropolitan Life (Metlife). More than 18% of the workforce would be infected by 2005. Metlife estimated that 2.1m people would have died by 2005 as a result of the epidemic.<sup>31</sup> [<sup>31</sup> Information supplied by Metropolitan AIDS Research, 6 April 1999]

In December 1998 the Actuarial Society of South Africa estimated that 10.4% of the South African population was HIV positive. The figure would increase to 12.5% by 2006. The population growth rate would drop from 1.9% in 1998 to 0.7% in 2006 as a result of the epidemic—ie by 63%.<sup>32</sup> [<sup>32</sup> *Business Day* 23 December 1998] One fifth of medical aid members would be HIV positive within a decade, according to a large medical aid administrator, Medscheme.<sup>33</sup> [<sup>33</sup> *Finance Week* 9 April 1999]

Because of AIDS, the average life expectancy in South Africa would fall by 33% from 60 to 40 years by 2008, according to the minister for welfare and population development, Ms Geraldine Fraser-Moleketi. Ms Fraser-Moleketi estimated that almost 250 000 people would die annually within three years because of the AIDS epidemic. The figure would increase to 500 000 deaths annually by 2007. She added that the cumulative number of AIDS deaths by 2001 would be more than 1m, rising to 4m by 2008.<sup>34</sup> [<sup>34</sup> *The Star* 1 December 1998] The new minister of health, Dr Manto Tshabalala-Msimang said in August 1999 that 6m South Africans would be infected with HIV by 2005 and there would be 1m AIDS orphans.<sup>35</sup> [<sup>35</sup> *Business Day* 26 August 1998]

### *Regional Comparisons and Projections*

In South Africa in 2010, the number of children who would die as a result of AIDS would increase to 99.5 per 1 000 children, as compared to the 48.5 it would have been without AIDS. The table below gives a comparison of projections of child mortality in South Africa and three other southern African countries between 1998 and 2010.<sup>36</sup> [<sup>36</sup> UNAIDS, *HIV/AIDS and Human Development South Africa*, 1998, p68]

#### *Child mortality rates with and without AIDS: 1998–2010*

With AIDS<sup>a</sup>

Without AIDS<sup>a</sup>

Country



1998

2010

1998

2010

**Botswana**

121.1

119.5

57.4

38.3

**South Africa**

95.5

99.5

69.7

48.5

**Swaziland**

103.4

152.2

83.8

77.5

**Zimbabwe**

123.4

115.6

50.5

31.8

*Source:* UNAIDS

a

Per 1 000 children.

The table below shows the HIV prevalence among adults in southern African countries in 1997, the latest year for which information was avail

***Adult HIV prevalence in southern African countries: 1997***

*Country*

Number of HIV-positive adults

HIV-positive adults as a proportion of total adult population

Botswana

190 000

22%

Lesotho

82 000

7%

Mozambique

1 200 000

12%
Namibia
150 000
16%
<b>South Africa</b>
2 800 000
12%
Zambia
730 000
17%
Zimbabwe
1 400 000
21%

*Source:* Institute for Futures Research

Even though Botswana and Zimbabwe had the highest prevalence of HIV among adults (22% and 21% respectively), in absolute numbers South Africa had more HIV-infected adults (2.8m).

The table below shows the projected population size without taking AIDS into consideration in the nine worst affected African countries in selected years from 1995 to

***Projected population size (without AIDS) (in millions): 1995–2015***

*Country*

1995

2000

2005

2010

2015

### Population increase 1995–2015

#### Botswana

1.486

1.712

1.951

2.202

2.452

65%

#### Kenya

27.502

31.077

34.904

39.053

43.014

56%

#### Malawi

9.944

11.632

13.518

15.603

17.880

80%

### Mozambique

17.440

20.082

22.996

26.213

29.737

71%

### Namibia

1.546

1.766

2.008

2.269

2.542

64%

**Rwanda**

5.322

7.989

9.121

10.325

11.540

117%

**South Africa**

37.553

41.212

44.887

48.435

51.810

38%

**Zambia**

8.512

9.964

11.451

13.154

14.919

75%

Zimbabwe

11.127

12.533

14.001

15.445

16.750

51%

**All**

120.432

137.967

154.837

172.699

190.644

58%

*Source:* Institute for Futures Research

The table below shows the effect of AIDS on the projected population size in the nine worst affected African countries in selected years from 1995

***Projected population size (with AIDS)(in millions): 1995–2015***

*Country*

1995

2000

2005

2010

2015

### Population increase 1995–2015

#### Botswana

1.474

1.622

1.721

1.832

1.967

33%

#### Kenya

27.216

30.080

32.637

35.205

37.611

38%

#### Malawi



9.670

10.925

12.300

13.912

15.770

63%

### Mozambique

17.388

19.680

21.458

23.117

25.212

45%

### Namibia

1.543

1.726

1.834

1.916

2.031

32%

### Rwanda

5.259

7.733

8.592

9.535

10.537

100%

**South Africa**

37.470

40.377

41.836

42.515

43.387

16%

**Zambia**

8.193

9.169

10.156

11.427

12.817

56%

Zimbabwe

10.871

11.669

12.247

12.863

13.572

25%

**All<sup>a</sup>**

119.084

132.981

142.781

152.322

162.904

37%

*Source:* Institute for Futures Research

a

Totals as calculated by the South African Institute of Race Relations.

Over the twenty-year period only Rwanda was expected to double its population even with the effect of AIDS. South Africa's population would grow by only 16% (with AIDS) compared with 38% (without AIDS). Zimbabwe would grow by a quarter (with AIDS), although without AIDS it would

**Cancer**

A total of 149 815 new cancer cases were reported between 1993 and 1995, according to the National Cancer Registry (NCR). The lifetime risk of developing cancer was higher for men (one in six) than for women (one in seven). The risk of developing cancer ranged from one in nine in African men to one in three in white men. In females, the risk ranged from one in four for whites to one in 11 for Africans, according to the NCR. (There was considerable underreporting among Africans, the NCR noted.) The table below provides a racial breakdown of the lifetime risk of developing one of the five most common cancers between birth and 74 years of age.<sup>40</sup> [40 National Cancer Registry, *Incidence of Histologically Diagnosed Cancer in South Africa 1993–1995*, 1999]

***Summary of lifetime risks for the top five cancers by sex and population group: 1993–95***

Male

Female

Cancer

Lifetime risk: one in

Cancer

Lifetime risk: one in

African

Oesophagus

59

Cervix

34

Prostate

61

Breast

81

Lung

67

Oesophagus

141

Liver and bile duct

227

Uterus

238

Larynx

204

Lung

313

**All cancers**

9

All cancers

11

*Coloured*

Prostate

50

Cervix

52

Lung

68

Breast

63

Stomach

78

Lung

172

Oesophagus

101

Uterus

189

Bladder

147

Stomach

250

**All cancers**

8

All cancers

11

*Indian*

Colorectal

43

Breast

21

Prostate

47

Cervix

54

Bladder

51

Uterus

68

Stomach

51

Colorectal

79

Lung

62

Stomach

120

**All cancers**

6

All cancers

5

*White*

Prostate

14

Breast

13

Bladder

29

Colorectal

44

Colorectal

34

Melanoma

56

Lung

34



Lung

61

Melanoma

45

Cervix

93

**All cancers**

3

All cancers

4

*All*

Prostate

31

Breast

36

Lung

52

Cervix

41

Oesophagus

71

Colorectal

130

Bladder

83

Lung

147

Colorectal

94

Oesophagus

169

**All cancers**

6

All cancers

7

*Source:* National Cancer Registry

Cancer of the oesophagus was most common in African men, with one in 59 men having a lifetime risk of developing this cancer. Cancer of the oesophagus was rare in white men (one in 164). According to the NCR, melanoma and other skin cancers were common in white men (one in 61 white males, compared with one in 99 African men). Cancer of the cervix was more common in African women (one in 34) than in whites (one in 93).

The following table provides a summary of cancer statistics from 1993 to 1995 (the latest year for

***Cancer statistics: 1993–95***

African

Coloured

Indian

White

*All<sup>a</sup>*

*Number*

Male

6 191

1 599

385

11 719

**24 028**

Female

6 856

768

552

9 762

**22 832**

*Crude incidence rate per 100 000 of the population<sup>b</sup>*

Male

39.6

40.7

158.9

290.2

**151.6**

Female

43.3

42.6

187.9

251.7

**128.0**

*Age standardised incidence rate<sup>c</sup> per 100 000 of the population<sup>b</sup>*

Male

93.9

104.0

158.9

290.2

**151.6**

Female

83.6

83.8

187.9

251.7

**128.0**

*Lifetime risk, 0 to 74 years of age (one in)*

Male

9

8

6

3

**6**

Female

11

11

5

4

7

*Source:* National Cancer Registry

a

Figures do not add up, owing to adjustments for undercounting.

b

All rates exclude basal cell and squamous cell skin cancers.

c

Age standardised rates refer to the comparable age difference of different popu

## **Malnutrition**

No new information was available at the time of writing. (See 1997/98 Survey, p194.)

## **Mental Illness**

No new figures were available at the time of writing.

# **HEALTH RESOURCES**

## **Finance**

### **The National Budget**

In 1999/2000 a total amount of R24bn was allocated to health—a drop of 4% over the 1998/99 allocation (R25.1bn)—in terms of the functional classification of the budget. Health expenditure represented 11% of the total budget and 3% of gross domestic product (GDP). In terms of the government's medium-term expenditure framework, nominal health expenditure would increase to R28.3bn in 2001/02 (by 18% over 1999/2000). Health expenditure as a proportion of total expenditure and of GDP would remain at the same levels as in 1999/2000.<sup>42</sup> [42 Department of Finance, *Budget Review 1999*, pp214–215]

### **Medical Aid Schemes**

By November 1998 it was estimated that of South Africa's population of 40.5m (see also chapter on *Population*), only 7m people had medical aid cover. Medical aid schemes were expected to pay out in excess of R25bn for health services for members in 1998, compared with R20bn earmarked for the public health sector covering 33m people.<sup>43</sup> [43 *Business Day* 20 November 1998]

In 1998 Parliament passed the Medical Schemes Act (see *Health legislation* below). The act compelled medical aid schemes to accept any applicant who could pay the average contribution, regardless of age or health risk. Medical aid schemes analysts warned that the act could result in pushing up premiums beyond the reach of many intended beneficiaries. According to the director of AIDS research at Metropolitan Life, Dr Thomas Muhr, medical aid schemes were likely to be flooded by people with

health problems such as HIV infection, who were previously excluded because of their high risk to schemes. Dr Muhr added that this would lead to monthly contributions having to increase radically or benefits across the board dropping drastically. He said that it would result in many people being unable to afford medical aid cover.<sup>44</sup> [<sup>44</sup> Ibid]

However, the Representative Association of Medical Aid Schemes (Rams) said the act would help schemes to improve their planning and management of HIV-related costs. Medical aid schemes were unknowingly paying for these costs anyway, according to Rams. The 'open door' criteria of the Medical Schemes Act could encourage people to disclose their HIV status, according to the policy director at Rams, Mr Aslam Dasoo.<sup>45</sup> [<sup>45</sup> Ibid, *Sunday Times Business Times* 22 November 1998]

The cost of comprehensive health care was expected to increase by an average of 20% in 1999. According to market research by a medical fund group, Discovery Health, medical aid contribution increases would exceed the expected medical inflation rate for 1999, estimated at 13% to 15%. The 'flu epidemic early in 1998 and the stock market crash were cited as two main reasons for the increases. The 'flu epidemic was costly to medical aid funds as members filed more and larger claims. The 1998 stock market crash shrunk the reserves of medical funds that invested heavily in the stock market. According to Discovery Health, four other factors that were expected to increase medical costs in 1999 were:<sup>46</sup> [<sup>46</sup> *Sunday Times Business Times* 22 November 1998]

- a 20% rise in hospital ward and theatre fees;
- an 8% to 12% rise in medical tariffs for consultations and procedures;
- an anticipated 20% rise in medicine costs; and
- the high cost of new treatment and technology.

## Health Services

### Medical Personnel

The table below shows the number of health care personnel registered with the Health Professions Council of South Africa, the South African Nursing Council, and the South African Pharmacy Council between 1990 and 1998.<sup>47</sup> [<sup>47</sup> Fax communication from the Health Professions Council of South Africa, 16 April 1999; fax communication from the South African Nursing Council, 26 May 1999; information provided by Ms Rachel Fitzpatrick, South African Pharmacy Council, 10 June 1999]

#### *Registered health care workers: 1990–98*

*Year*

Dentists

Doctors

Nurses

Pharmacists

Supplementary

*All*

1990

3 775

23 139

148 558

9 073

26 255

**210 800**

1991

3 944

24 614

151 610

9 280

27 912

**217 360**



1992

3 998

25 375

155 679

9 277

29 727

**224 056**

1993

4 024

25 967

157 497

9 388

33 517

**230 393**

1994

4 029

26 452

158 538

9 574

35 365

**233 958**

1995

4 102

27 297

165 472

9 677

37 998

**244 546**

1996

4 235

28 381

173 742

9 752

41 977

**258 087**

1997

4 298

29 020

175 599

10 010

538

**219 465**

1998

4 387

29 369

N/A

10 089

517

**44 362**

*Source:* Health Professions Council of South Africa, South African Nursing Council, South African Pharmacy Council

NA – Not available.

The table below shows provincial ratios of public sector medical personnel per 10 000 of the population

***Medical personnel per 10 000 of provincial population: 1998***

EC

FS

Gau

KN

Mpu

NW

NC

NP

WC

**All**

Dentists

0.1

0.1

0.3

0.1

0.1

0.1

0.1

0.1

0.2

**0.1**

Doctors

1.8

2.4

5.3

2.6

1.5

1.7

2.0

1.5

6.5

**2.9**

Nurses

32.2

32.5

31.8

35.9

22.9

29.1

21.7

30.6

41.4

**32.4**

Occupational therapists

0.0

0.2

0.4

0.1

0.1

0.1

0.1

0.1

0.3

**0.1**

Pharmacists

0.2

0.3

0.6

0.4

0.2

0.2

0.3

0.2

0.7

**0.4**

Radiographers

0.5

1.1

1.8

0.7

0.2

0.2

0.4

0.1

1.7

**0.8**

*Ratio of total medical personnel per 10 000 of provincial population*

65.1

81.7

103.3

77.4

51.1

64.1

63.4

64.6

98.6

77.0

Source: Health System

**Doctors**

The table below shows the provincial distribution of public sector doctors in 1998.<sup>49</sup> [49 Ibid, pp66–67]

*Number of public sector doctors by province: 1998*

*Province*

Number of South African doctors

Number of foreign doctors

Total number of doctors

Proportion of total

Eastern Cape

820

184

1 004

11%

Free State

448

65

513

6%

Gauteng

1 851

504



2 355

27%

### KwaZulu-Natal

1 456

283

1 739

20%

### Mpumalanga

218

117

335

4%

### North West

275

187

462

5%

### Northern Cape

84

39

123

1%

Northern Province

347

209

556

6%

Western Cape

1 707

78

1 785

20%

**All**

7 206

1 666

8 872

100%

*Source:* Health Systems Trust

In 1998 foreign doctors accounted for 19% of the total number of public sector doctors countrywide, while South African doctors accou

*Compulsory Community Service*

In June 1998 the Department of Health introduced compulsory community service for doctors who were completing their medical training. According to the 1999 *National Expenditure Survey*, posts were made available for 1 126 doctors from the beginning of 1999, mainly in rural or understaffed areas.<sup>50</sup> [50 Department of Finance, *National Expenditure Survey 1999*, p129]

The table below provides a provincial breakdown of doctors who started their community service in January 1999.<sup>51</sup> [51 *Pulse Track* 16 February 1998]

***Number of doctors placed who reported for community service: January 1999***

*Province*

Number of doctors placed

Number reporting for service

Eastern Cape

126

121

Free State

98

90

Gauteng

169

169

KwaZulu-Natal

237

237

## Mpumalanga

79

79

## North West

79

77

## Northern Cape

17

17

## Northern Province

160

152

## Western Cape

119

119

## SAMHS<sup>a</sup>

38

38

## All

1 122

1 088

*Source:* Pulse Track

a

South African Medical Health

In July 1999 Dr Stephen Reid of the Health Systems Trust—who was conducting a survey of doctors doing compulsory community service—said that most of the doctors intended leaving the communities they were serving after their term had ended.<sup>52</sup> [<sup>52</sup> *Mail and Guardian* 16 July 1999]

### *Conditions of Service*

In November 1998 the Interim Medical and Dental Council of South Africa said that from January 1999 medical doctors would be required to participate in a new system of continuing professional development in order to retain their registration with the council. The council said that doctors would be awarded points for attending conferences, workshops, lectures, refresher courses, departmental meetings, and additional study. Each doctor was required to accumulate 250 points over a five-year period. Non-compliance with the requirements of the system could result in, among other things, the doctor being deregistered.<sup>53</sup> [<sup>53</sup> *Business Day, The Citizen* 5 November 1998]

In September 1998 the government stopped the system of limited private practice (LPP) for doctors and dentists in the public sector. The government implemented a process to gradually phase out this practice from September 1998 to September 1999. Doctors in the public sector had since 1991 been allowed to supplement their income with private work. Dentists were included in the system in 1992. The Department of Health said that LPP caused some doctors to neglect their responsibilities towards state patients. According to the Medical Association of Southern Africa, the withdrawal of LPP could lead to a critical loss of medical expertise in the public service, which could have a negative impact on clinical services and teaching.<sup>54</sup> [<sup>54</sup> *South African Medical Journal* November 1998; *The Citizen* 4 September 1998]

In August 1998, 11 foreign doctors, all naturalised South African citizens who had obtained their qualifications abroad, applied to the Pretoria High Court to strike down regulations which restricted them to working in the public sector. The doctors sought an order to strike down as unconstitutional the regulations promulgated in terms of the Medical, Dental and Supplementary Service Professions Amendment Act of 1998. In terms of the act, foreign-trained doctors, regardless of their experience and qualifications, had to write a full medical examination in order to work freely in South Africa.<sup>55</sup> [<sup>55</sup> *Business Day* 18 July 1998]

In October 1998 the High Court ruled in favour of the 11 doctors. It ordered the minister of health, Dr Nkosazana Zuma, and the National Interim Medical and Dental Council of South Africa to register the

doctors without restrictions. The judgement meant that the doctors could practise anywhere they wished in South Africa, including the private sector, without having to write a final year medical examination.<sup>56</sup> [56 *The Citizen* 7 October 1998]

A total of 77 doctors left South Africa in 1998. This was an increase of 28% compared to the 60 doctors who emigrated in 1997. In 1996 some 92 doctors emigrated. According to Statistics South Africa, the number of medical specialists emigrating dropped from 22 in 1997 to 17 in 1998. Some 13 dentists left South Africa in 1998, compared to 50 who emigrated in 1997.<sup>57</sup> [57 Stats SA, *Tourism and Migration (From all ports of entry)*, December 1998, Statistical Release, PO351, 14 June 1999]

According to a 1998 report published in the *South African Journal of Science*, more than 2 500 doctors who graduated from the University of the Witwatersrand (Wits) in the past 35 years had emigrated. The study revealed that the universities of Cape Town and Wits had the highest rate of medical graduates emigrating. Some 45% of graduates from the 1960s were overseas, compared with 57% from the 1970s. According to the report, some 42% graduates from the 1980s were practising medicine abroad, compared with 35% from the 1990s. The dean of the faculty of health sciences at Wits, Professor Max Price, said that it was impossible to predict a future trend because medical graduates tended to practise for a few years in the country before going to work or study abroad.<sup>58</sup> [58 *Sunday Times Metro* 15 March 1998, *The Citizen* 16 March 1998]

## **Nurses**

The following table shows the number of nurses, by sex, registered with the South African Nursing Council by the end of 1997 (the latest year for which information was available):<sup>59</sup> [59 Fax communication from the South African Nursing Council, 26 May 1999]

### **Registered nurses: 1997**

*Nurses*

Female

Male

**All**

Registered nurses<sup>a</sup>

86 724

4 199

**90 923**

Enrolled nurses<sup>b</sup>

31 128

1 965

**33 093**

Nursing auxiliaries

46 947

4 636

**51 583**

All

164 799

10 800

175 599

*Source:* South African Nursing Council

a

Nurses who have completed a minimum of three to four years of training at diploma or degree level.

b

Nurses who have completed two years of training and work under the supervision of a registered n

The table below shows the provincial distribution of nurses in 1997 (the latest year for which figures were available).<sup>60</sup> [<sup>60</sup> Ibid]

*Provincial distribution of nurses: 1997*

*Province*

Registered

Enrolled nurses

Nursing auxiliaries

*All*

Eastern Cape

11 609

5 041

6 114

**22 764**

Free State

6 736

2 020

3 509

**12 265**

Gauteng

26 398

5 747

14 311

**46 456**



Mpumalanga

3 631

1 450

2 402

**7 483**

KwaZulu-Natal

16 384

8 575

8 372

**33 331**

North West

5 592

2 352

4 171

**12 115**

Northern Cape

1 626

835

1 058

**3 519**

Northern Province

5 412

2 751

2 794

**10 957**

Western Cape

12 608

4 233

8 790

**25 631**

Province indeterminable<sup>a</sup>

11

1

17

**29**

All

90 007

33 005

51 538

174 550

*Source:* South African Nursing Council

a

Number of nurses whose provincial origin could not be established.

The table below shows the distribution of public sector nurses by provin

***Number of public sector nurses by province: 1998***

*Province*

Number of nurses

Proportion of total<sup>a</sup>

Eastern Cape

17 521

18%

Free State

6 897

7%

Gauteng

14 159

14%

KwaZulu-Natal

23 568

24%

**Mpumalanga**

5 202

5%

**North West**

7 766

8%

**Northern Cape**

1 309

1%

**Northern Province**

11 380

11%

**Western Cape**

11 341

11%

**All**

99 143

100%

*Source:* Health Systems Trust

a

Figures should add up but may not, owing to rounding.

See also *Medical per*

## Hospitals and Clinics

There were six oral and dental hospitals in South Africa in 1998, according to the Department of Health. During the same period there were 60 mining clinics and hospitals, 22 tuberculosis hospitals, and some 36 institutions licensed under the Mental Disorders Act of 1916. In 1998 there were 828 nursing homes, and public and private hospitals in South Africa.<sup>62</sup> [<sup>62</sup> Information provided by the Department of Health, 26 May 1999]

### ***Public Hospitals***

In 1998 there were 360 public hospitals in South Africa, according to the Department of Health as shown in the table below.<sup>63</sup> [<sup>63</sup> Ibid]

#### ***Number of public hospitals by province: 1998***

*Province*

Number of public hospitals

Proportion of total

Number of beds

Eastern Cape

66

18%

N/A

Free State

31

9%

2 016

Gauteng

29

8%

10 155

KwaZulu-Natal

66

18%

N/A

Mpumalanga

25

7%

N/A

North West

32

9%

N/A

Northern Cape

19

5%

N/A

Northern Province

47

13%

267

Western Cape

45

13%

N/A

**All**

360

100%

N/A

*Source:* Department of Health

N/A – not

### *Crisis in Public Hospitals*

There was a crisis in most public hospitals during the period under review. These problems were mainly caused by budget cuts and a shortage of doctors and nurses. In June 1999 senior doctors from four of Greater Johannesburg's major hospitals warned that a critical staff shortage could force the closure of several emergency units and the ultimate collapse of services. The crisis at the Chris Hani Baragwanath, Coronation, Helen Joseph, and Johannesburg hospitals (serving a population of about 10m people) was created by a moratorium on the filling of posts because of budget constraints. The doctors said that the problem arose because of the failure of the government's primary health care programme. Primary health care clinics were not manned by qualified staff and therefore patients 'streamed' to the tertiary institutions (see also *Clinics and primary health care* below).<sup>64</sup> [<sup>64</sup> *Business Day*, *Sowetan* 22 June 1999]

The four hospitals were unable to fill any medical officer, registrar or junior consultant posts, according to the head of paediatrics at Chris Hani Baragwanath, Professor John Pettifor. Professor Pettifor said that the freezing of ten medical posts at Chris Hani Baragwanath would result in the closure of the neo-natal intensive care unit and no emergency services for children between 10pm and 8am would be offered. According to the chairman of the medical advisory committee at the hospital, Professor Ken Huddle, the hospital had a shortage of about 2 282 staff members, including more than 100 doctors. The situation was similar at other tertiary hospitals around the country. In June 1999 Professor Pettifor said that 12 community service doctors had volunteered to move over from Johannesburg Hospital to the critical areas of paediatrics, neonatal intensive care, and the intensive-care unit. He said that the transfer of the doctors would 'partially' address the problem at the hospital.<sup>65</sup> [<sup>65</sup> *The Star* 22, 29 June 1999]

In November 1998 doctors from Chris Hani Baragwanath held a demonstration outside the hospital against the lack of security on the hospital premises. Doctors had been held up at gun-point inside hospital wards and in the corridors in ten separate incidents in two months. According to Dr Helen Ford, in August 1998 she was mugged at gun-point outside the hospital's medical admissions ward and her cellular telephone stolen. Dr Ford said that if security was not improved, criminal elements could start targeting patients and put them at risk.<sup>66</sup> [<sup>66</sup> *City Press* 29 November 1998]

The chairperson of the medical advisory committee at Coronation and Helen Joseph hospitals, Professor Keith Bolton, said in July 1999 that the urology units at Helen Joseph Hospital had collapsed, while the trauma unit was on the brink of collapse. The hospital had been forced to prioritise nursing care and had stopped bathing babies or taking temperatures.<sup>67</sup> [<sup>67</sup> *Ibid* 6 July 1999]

The hospital crisis in Johannesburg was a delayed consequence of the closure of Hillbrow Hospital in December 1997, according to the Democratic Party's provincial health spokesman, Mr Jack Bloom. At the time of its closure, the hospital handled over 35 000 patients annually, while the out-patients department handled 600 000 people. Mr Bloom said that these patients were now placing an 'unbearable' strain on other academic hospitals. He added that the plan by the Gauteng Health Department to divert Hillbrow patients to regional hospitals had failed.<sup>68</sup> [<sup>68</sup> *The Citizen* 5 July 1999]

The shortage of qualified and experienced physiotherapists had resulted in many hospitals being dependent on students to provide rehabilitation for patients whose recovery depended on adequate aftercare, the president of the South African Society of Physiotherapy, Ms Anna Bizos, said in June 1999. Ms Bizos added that Gauteng's principal orthopaedic hospital, the Oliver Tambo Hospital, had one physiotherapist and many patients were forced to lie in bed for days with minimal rehabilitation. Gauteng produced about a hundred physiotherapists from three universities annually, but the freezing of posts meant that less than 15% found employment in the public sector.<sup>69</sup> [<sup>69</sup> *The Star* 29 June 1999]

The minister of health, Dr Manto Tshabalala-Msimang, said in June 1999 that appropriate measures were being taken to ensure that all important services in Gauteng, including emergency and intensive



care, would be effectively maintained throughout 1999. She said that all provincial departments were struggling with limited budgets because of expenditure cuts and efforts to expand access and improve services for people who had poor or no services in the past.<sup>70</sup> [<sup>70</sup> *Business Day* 22, 30 June 1999, *The Citizen* 24 June 1999, *The Star* 22, 30 June 1999, 1 July 1999]

In July 1999 the head of the trauma unit at Cape Town's Groote Schuur Hospital, Dr Peter Bautz, quit his job because of what he called the 'intolerable work conditions in a medical service devastated by budget cuts and spiralling violence'. Dr Bautz was the third trauma unit head to resign at a Peninsula (Western Cape) hospital in 18 months. He warned that continued budget cuts could lead to the 'total destruction' of medical standards. Dr Bautz said that he was leaving behind a trauma unit that dealt with gunshots, stabbing, and multiple injuries 24 hours a day. He said that gunshot wounds in particular, had increased and accounted for about 80% of surgery.<sup>71</sup> [<sup>71</sup> *The Star* 6 July 1999]

### ***Private Hospitals***

According to the Department of Health, there were 344 private and aided hospitals (which were privately owned but received public funding) in South Africa in 1998. The following table shows the number of private hospitals according to province:<sup>72</sup> [<sup>72</sup> Information provided by the Department of Health, 26 May 1999]

#### ***Number of private hospitals by province: 1998***

##### *Province*

Number of private and aided hospitals

Proportion of total<sup>a</sup>

Number of beds

Eastern Cape

42

12%

651

Free State

18

5%

N/A

Gauteng

108

31%

4 467

KwaZulu-Natal

48

14%

1 409

Mpumalanga

11

3%

254

North West

17

5%

351

Northern Cape

29

8%

285

Northern Province

2

1%

N/A

Western Cape

69

20%

1 616

**All**

344

100%

N/A

*Source:* Department of Health

a

Figures should add up but may not, owing to rounding.

N/A – not

### ***Clinics and Primary Health Care***

The Department of Health said in its 1998 annual report that a total of 495 new clinics were built in the period September 1995 to December 1998. In addition, a further 249 clinics underwent major structural upgrading, and 2 298 clinics received new equipment and/or had minor upgrading valued at R10 000 per

clinic. Some 215 new mobile clinics were also bought. In the period April 1994 to December 1998, a total of R730m was spent on the clinic upgrading and building programme, according to the Department of Health.<sup>73</sup> [<sup>73</sup> Department of Health, 1999 annual report, p26]

Some 70% of clinics in South Africa provided daily family planning services in 1997. In 1998 more than 80% of all clinics provided these services. The table below shows the proportion of clinics in each province which offered HIV testing and the HIV infection rates of women attending antenatal clinics in 1998 (see also *AIDS* above).<sup>74</sup> [<sup>74</sup> Health Systems Trust, *South African Health Review*, 1998, p3; *Pulse Track* 4 March 1999]

***Proportion of clinics which offered HIV testing: 1998***

*Province*

Clinics which offered HIV testing: 1998

HIV-infection rates of women attending antenatal clinics: 1998

Eastern Cape

39%

15.9%

Free State

79%

22.8%

Gauteng

75%

22.5%

KwaZulu-Natal

48%

32.5%

## Mpumalanga

79%

30.0%

## North West

46%

21.3%

## Northern Cape

100%

9.9%

## Northern Province

20%

11.5%

## Western Cape

97%

5.2%

## All

56%

22.8%

*Source:* Health Syst

Fewer than half the clinics in the Eastern Cape, KwaZulu-Natal, North West, and the Northern Province

offered HIV testing in 1998. During the same year KwaZulu-Natal had the highest HIV prevalence rate, and registered an increase of 20.8% over 1997.

In 1998 the *South African Health Review* noted that basic training of nurses in South Africa did not properly equip them to deliver primary health care (PHC) services. Post-basic formal training programmes had to be orientated to PHC to enable nurses to gain the knowledge and skills needed to function at clinic level.

The table below shows the number of nurses who completed PHC training by province in 1992–97.<sup>75</sup> [75 Ibid, p91]

***Number of nurses completing primary health care training: 1992–97***

*Province<sup>a</sup>*

Number of nurses

Eastern Cape

932

Gauteng

498

KwaZulu-Natal

137

Mpumalanga

87

North West

246

Northern Province

57

## Western Cape

431

All<sup>b</sup>

2 388

Source: Health Systems Trust

a

Excluding the Free State and the Northern Cape.

b

Total as calculated by the South African Institute of Race R

## Medicines

In 1998 free medicines were supplied to pregnant women and children under six years, according to the 1999 *National Expenditure Survey*. The South African Drugs Action Programme was established in 1998 to strengthen drug supply and management in the public sector. A revised Standard Treatment Guidelines and Essential Drug List (EDL) for primary health care was published in December 1998, together with the EDL for hospital-level care. According to the report, the EDL had reduced the number of items obtained on tender by the public sector. It also removed ineffective medicines and contributed to cost effectiveness and savings.<sup>76</sup> [76 Department of Finance, *National Expenditure Survey 1999*, pp129–130]

In 1998 the Health Systems Trust conducted research regarding the availability of 25 selected drugs and whether or not they were in stock. The following results were reported:

- **AZT** (for post needle-stick prophylaxis and HIV infection) was supplied by 53% of hospitals and was less available in rural areas and at district-level hospitals;
- **Ciprofloxacin** (the essential drug in the syndromic management of STDs and also used to treat other infections) was available at all regional hospitals and 73% of district hospitals;
- **Fluconazole tablets** (used in the treatment of common fungal infections often associated with HIV/AIDS) were available in less than one third of hospitals surveyed; and
- **Intravenous Acyclovir** (used in the specialist management of disseminated herpes virus infection) was

available in 31% of hospitals.

The table below shows the proportion of clinics with selected PHC drugs in both rural and urban areas.<sup>77</sup>  
[<sup>77</sup> Health Systems Trust, *South African Health Review*, 1998, p173]

***Proportion of clinics with selected PHC drugs: 1998***

Measles vaccine

Polio vaccine

Oral Rehydration solution

Cotrimoxazole

Ciprofloxacin

Oral contraceptives

Condoms in waiting room

Rural

77%

78%

82%

84%

79%

96%

73%

Urban

90%



96%

85%

90%

92%

100%

84%

*Source:* Health Systems Trust

In December 1998 the Medicines Control Council (MCC) rejected an application by the developers of the controversial anti-AIDS drug Virodene to carry out clinical trials. The council's research ethics committee had originally rejected the application but a decision to review it was taken after the deputy president, Mr Thabo Mbeki, the minister of health, Dr Nkosazana Zuma, and the African National Congress criticised the council and accused it of bias. The MCC said that the decision to reject the application was based on 'science and on questions of public safety'. (See also 1997/98 Survey, p216.) In September 1999 the president of the Medical Research Council, Professor William Makgoba, dismissed Virodene as a possible anti-AIDS drug. According to Professor Makgoba, Virodene was 'nonsense', and had no scientific integrity

## Contraceptives

Just over three quarters of all clinics had condoms available to patients without request in waiting rooms in 1998, according to the 1998 *South African Health Review*. Northern Province and North West clinics lagged behind in making condoms accessible to patients in waiting rooms, as shown in the table below.<sup>79</sup> [79 Health Systems Trust, *South African Health Review*, 1998, p174]

### *Proportion of clinics with condoms in waiting rooms: 1998*

*Province*

Proportion

Eastern Cape

76%

Free State

79%

Gauteng

100%

KwaZulu-Natal

97%

Mpumalanga

91%

North West

65%

Northern Cape

89%

Northern Province

57%

Western Cape

84%

**All**

79%

*Source:* Health Syst

## **Vaccination**

In August 1998 the Department of Health launched a new measles vaccination campaign. The aim of the campaign was to eliminate measles in southern Africa by the end of 2002. Notified measles cases dropped from more than 22 000 in 1992 to only 684 in 1998, according to the department. The decrease was the result of mass immunisation campaigns in 1996 and 1997, which supplemented the routine vaccination of children for a variety of diseases (see also 1997/98 Survey, p213).<sup>80</sup> [<sup>80</sup> Department of Health, 1999 annual report, p44]

A survey conducted by a research body, Medinfo, found that nearly 2m people had been vaccinated against 'flu in 1999. In 1998 some 700 000 people were vaccinated.<sup>81</sup> [<sup>81</sup> *The Citizen* 27 May 1999]

The table below provides a proportional breakdown of clinics providing daily immunisation services in 1997–98.<sup>82</sup> [<sup>82</sup> Health Systems Trust, *South African Health Review*, 1998, p186]

***Proportion of clinics providing daily immunisation services: 1997–98***

*Province*

1997

1998

Eastern Cape

53%

76%

Free State

89%

79%

Gauteng

60%

69%

## KwaZulu-Natal

25%

52%

## Mpumalanga

45%

42%

## North West

47%

54%

## Northern Cape

38%

44%

## Northern Province

53%

93%

## Western Cape

38%

44%

## All

48%

67%

Source: Health Syst

## Occupational Health

Some 40 000 applications for compensation from retired and active miners for occupational lung diseases were processed in the period April to October 1998, according to the Department of Health. There were only 27 000 applications in 1997. The department said that it had improved previously 'underserved' former mineworkers' access to benefit medical examinations for the purpose of compensation.<sup>83</sup> [<sup>83</sup> Department of Health, 1999 annual report, p50] See also chapter on *Industrial Relations*.

## WELFARE

### Finance

#### The National Budget

A total of R20bn was budgeted for welfare and social security in 1999/2000, an increase of 4% over 1998/99. The amount was 9% of the budget and 3% of gross domestic product (GDP). According to the government's medium-term expenditure framework, spending on welfare and social security would increase to R21.6bn in 2001/02, an increase of 8% over 1999/2000.<sup>84</sup> [<sup>84</sup> Department of Finance, *Budget Review 1999*, pp214–215]

### Irregularities

The minister for welfare and population development, Ms Geraldine FraseMoleketi, told Parliament that some R20m destined for welfare payments had been stolen countrywide between 1996 and August 1998. The provinces recorded the following losses:<sup>85</sup> [<sup>85</sup> *The Citizen*, *The Star* 3 November 1998]

- in the Eastern Cape more than R6m was 'lost' in the 1996/97 financial year, of which R610 000 had been stolen during transit robberies;
- in the Free State some R2.1m was stolen between 1996 and 1998. An amount of R927 000 had been stolen in transit robberies;
- in Gauteng a total of R422 559 was stolen during the 1996/97 and 1997/98 financial years;
- in Mpumalanga some R165 000 had been stolen since 1997;
- in the North West R3.2m was stolen between November 1996 and August 1998;

- in the Northern Cape since 1997 a total of R965 015 was stolen from funds destined for welfare payments;
- in the Northern Province R116 000 was stolen since 1997; and
- in the Western Cape more than R2.8m was stolen from the post office as the payout contractor between April 1996 and August 1998, of which R2.6m was stolen in transit robberies.

Ms Fraser-Moleketi added that 26 officials had been dismissed, with criminal charges pending, while 21 had been suspended pending investigations.<sup>86</sup> [<sup>86</sup> *The Star* 3 November 1998]

In June 1998 the Wiegand Commission, which investigated irregularities in three government nutrition programmes, told Parliament's joint committee on public accounts that it had uncovered fraud involving R10.6m and 'possible fraud' of R143m. According to the commission, lack of documentation, excessive prices, double payments, and lack of adequate control and staff had led to serious irregularities.<sup>87</sup> [<sup>87</sup> *Ibid* 4 June 1998]

Some 192 000 beneficiaries of welfare grants were suspended in 1997/98 during the process of reregistering welfare grant beneficiaries (see 1997/98 Survey, p299). The exercise yielded an annual saving of R319m, according to the 1999 *National Expenditure Survey*. The survey added that a link to the record systems of the Unemployment Insurance Fund, Personnel and Salary Establishment System (PERSAL), and civil pensions had uncovered 25 000 cases of unlawful receipt of benefits. Monthly reports on data discrepancies were submitted to provinces for resolution. In the 1998/99 financial year some R100m was allocated to provinces to improve social security delivery and financial systems.<sup>88</sup> [<sup>88</sup> Department of Finance, *National Expenditure Survey 1999*, p155]

Government officials were defrauding the government's Special Pensions Fund, according to a *City Press* report in November 1998. The fund was designed to reward former members of armed forces associated with the liberation movements. According to the report, people who had never participated in the 'struggle' were receiving monthly grants from the fund. By November 1998 the Ministry of Finance had paid out about R300m to approximately 2 200 applicants.<sup>89</sup> [<sup>89</sup> *City Press* 22 November 1998]

## **Public Welfare Services and Payments**

### **Social Grants**

According to the 1999 *National Expenditure Survey*, some R1.3bn was distributed monthly to some 3m beneficiaries of pensions and various social grants from the state. Old-age pensions accounted for two thirds of both the number of beneficiaries and the total expenditure on grants. Disability grants

accounted for a quarter.<sup>90</sup> [<sup>90</sup> Department of Finance, *National Expenditure Survey 1999*, p153] The table below shows the number of beneficiaries who received various social grants in 1998.<sup>91</sup> [<sup>91</sup> Information provided by Mrs Jane Jooste, director general, Department of Welfare, 9 June 1999]

***Beneficiaries of social grants: 1998***

*Grant*

Number of beneficiaries (December 1998)

Maximum value of monthly grant per beneficiary: 1998 (R)

Monthly amount paid to beneficiaries: 1998 (Rm)

Old-age pensions

1 801 395

500

896.4

War veteran grants

9 469

508

4.9

Disability grants

632 396

500

314.0

Child maintenance grants

11 218

100

1.8

Foster care grants

47 364

360

26.6

Care dependent grants

14 254

500

7.2

Grants-in-aid

8 735

90

0.8

State maintenance (parent allowance)<sup>a</sup>

169 252

323

52.0

State maintenance (child care)



226 344

101

34.8

**All**

2 920 427

–

1.3bn

*Source:* Department of Welfare

a

From 1998 state maintenance grants to parents were being phased out.

Some R1.3bn was paid to a total of 2.9m beneficiaries of social grants in the month of December 1998. (The number of beneficiaries receiving monthly grants and total amounts paid to them by the state differed monthly as a result of some beneficiaries no longer requiring assistance, while others were added to the system.)<sup>92</sup> [<sup>92</sup> Ibid]

About two thirds of social grant recipients were women, according to the 1999 *National Expenditure Survey*. The survey added that women were more likely to receive grants targeted at ‘care-givers’, such as maintenance, care dependency, child support, and foster care grants. A large proportion (70%) of old-age pensioners were women. This reflected a lower age for eligibility, higher average longevity, and greater poverty among women, according to the 1999 *National Expenditure Survey*. According to the 1996 census, some 8% of the population (ie those from the age of 60 upwards) were eligible to receive old-age pensions (see also chapter on *Population*).<sup>93</sup> [<sup>93</sup> Department of Finance, *National Expenditure Survey 1999*, p153]

In 1996 the Department of Welfare launched a flagship programme for unemployed women with children under five years. The programme sought to give unemployed women lifeskills training and ‘co-operative’ employment opportunities. By September 1998 some R3m had been spent on the programme, and 1 448 women and 1 863 children had benefited from it.<sup>94</sup> [<sup>94</sup> Ibid]

According to the minister of finance, Mr Trevor Manuel, the government was paying out subsidies

exceeding R1.5bn annually to about 1 400 non-governmental organisations. These organisations focused on developmental welfare services, support for the unemployed, and meeting the needs of women and

According to Mr Manuel, a new financing policy for welfare services was being devised. The new policy would move away from the subsidy arrangements to more flexible forms of financing social welfare services. In December 1998 the minister for welfare and population development, Ms Geraldine Fraser-Moleketi, said that her department intended reviewing disability grants to reduce a 'dependency syndrome' in South Africa's disabled community. According to Ms Fraser-Moleketi, more than 90% of government funding earmarked for the disabled was used to pay out grants. In 1997 alone, some R4bn in grants was paid to 5m disabled people. She added that while there were limited opportunities for disabled people in the job market, the grants given by her department erased their incentives to find employment. Ms Fraser-Moleketi said that the government hoped to remove social barriers to disabled people to allow them to 'take part equally in all spheres of life'.<sup>96</sup> [<sup>96</sup> *Business Day* 3 December 1998, 18 February 1999; *Sowetan* 4 December 1998]

## **Welfare Facilities**

It was reported in January 1999 that old-age homes in Johannesburg were closing at an 'alarming rate' because of government subsidy cuts. At least six old-age homes had closed in six months and two more were expected to close by the end of January 1999. According to a senior social worker at the Johannesburg Association for the Aged, Mr Ros Rosenthal, many pensioners were left destitute as a result of the government's new policy of subsidising only the poorest old-age homes. According to Mr Rosenthal, pensioners earning an income of more than R1 300 per month no longer qualified for government subsidies.<sup>97</sup> [<sup>97</sup> *Saturday Star* 16 January 1999]

## **Private Welfare Services**

No new information was available at the time of writing.

## **LEGISLATION**

### **Health Legislation**

#### **Sterilisation Act of 1998**

The Sterilisation Act of 1998 made provision for the right of adult persons to consent to sterilisation. The act also made provision for circumstances in which sterilisation may be performed on people unable to consent or incompetent to consent because of mental disability. In terms of the act, a health facility would convene a panel consisting of health practitioners to consider applications for sterilisation to be performed on people unable to consent.<sup>98</sup> [<sup>98</sup> Sterilisation Act, no 44 of 1998, *Government Gazette* no 19216, 4 September 1998]

## **Medical Schemes Act of 1998**

The Medical Schemes Act of 1998 included measures which aimed to achieve an appropriate demarcation between medical aid schemes and insurance products. This aimed to eliminate ‘cherry-picking’ of the healthiest clients by the insurance industry. The act prohibited risk-rating and exclusion from membership of medical aid schemes on the basis of age, sex, and state of health. Provision was also made for the introduction of a prescribed set of minimum health care benefits that should be offered by medical aid schemes. In terms of the act, the Council on Medical Schemes would gain corporate status and be funded in part by levies on medical schemes.<sup>99</sup> [<sup>99</sup> Medical Schemes Act, no 131 of 1998, *Government Gazette* no 19545, 2 December 1998]

## **South African Medicines and Medical Devices Regulatory Authority Act of 1998**

The act provided for the establishment of the South African Medicines and Medical Devices Regulatory Authority (SAMMDRA), to replace the Medicines Control Council (MCC). The primary objective of the authority was to provide, among other things, for the monitoring, regulation, registration and control of medicines, clinical trials, and medical devices. The act included provision for an effective process of registering and regulating complementary medicines. The act also abolished the former Medicines and Related Substances Control Act of 1965, together with the regulations governing standards and controls.<sup>100</sup> [<sup>100</sup> South African Medicines and Medical Devices Regulatory Authority Act, no 132 of 1998, *Government Gazette* no 19615, 18 December 1998]

In April 1999 the act was promulgated without the minister of health, Dr Nkosazana Zuma, having put new drug schedules into place. In May 1999 Dr Zuma, President Nelson Mandela, and the MCC launched an urgent application in the Pretoria High Court to set aside the earlier promulgation of the act. They claimed that the promulgation was premature and took place before an effective regulatory system had been created. According to papers before the court, there were now no legal schedules of illicit drugs or recognised medicines. The schedules of prescribed and over-the-counter medicines no longer existed, and there was no effective control over drug trafficking because schedules had been abolished instead of being replaced. The absence of effective drug regulations could create the opportunity for medicines to be ‘traded freely, whatever their strength, content and effect’, according to the papers.<sup>101</sup> [<sup>101</sup> *The Citizen* 22 May 1999, *Business Day* 25 May 1999]

In May 1999 the Pretoria High Court judge turned down the request. The judge said that the ‘potentially dangerous’ situation created by the premature promulgation was a matter for the executive and legislature to resolve, and not the courts. According to the legal representative for the Pharmaceutical Manufacturers’ Association (PMA), Mr Nico Vermaak, the implications of the judgement were serious because it meant that South Africa had an ‘unworkable’ piece of legislation.<sup>102</sup> [<sup>102</sup> *The Citizen* 29 May 1999] In July 1999 the Pretoria High Court upheld an appeal by the PMA and declared the act null and void. The court reinstated the Medicines and Related Substances Control Act of 1965 and said it had not been

lawfully repealed.<sup>103</sup> [<sup>103</sup> *Business Day, The Citizen* 23 July 1999]

## **Medical, Dental and Supplementary Health Service Professions Amendment Act of 1998**

The act made provision for the establishment of the Health Professions Council which would give equal recognition to professions previously under the South African Medical and Dental Council. The act also made provision for implementation of community service for all people registered under the act (see also *Compulsory community service* above).<sup>104</sup> [<sup>104</sup> Medical, Dental and Supplementary Health Service Professions Amendment Act, no 1 of 1998, *Government Gazette* no 18757, 17 March 1998; Department of Health, 1999 annual report, p38]

## **Tobacco Products Control Amendment Act of 1999**

The Tobacco Products Control Amendment Act of 1999 prohibited the advertising and promotion of tobacco products. The act also prohibited the sponsoring of sporting and other events by tobacco companies. In terms of the act, the minister of health could phase out existing sponsorship or contractual obligations in respect of tobacco products. The act also prohibited smoking in public places, which included the workplace. In terms of the act, the minister could declare—by notice in the *Government Gazette*—specified public places where smoking was permitted. The sale of tobacco products from vending machines was also restricted to places where such machines were inaccessible to people under 16 years.<sup>105</sup> [<sup>105</sup> Tobacco Products Control Amendment Act, no 12 of 1999, *Government Gazette* no 19962, 23 April 1999]

## **Welfare Legislation**

### **Adoption Matters Amendment Act of 1998**

The Adoption Matters Amendment Act of 1998 made provision for the rights of certain natural fathers where the adoption of their children born out of wedlock had been proposed. The act required the consent of natural fathers before their children could be given up for adoption, except in the case of children born as a result of rape or incest. The act also amended the Births and Deaths Registration Act of 1992 in order to afford the father of a child born out of wedlock the opportunity to record his acknowledgement of paternity and his particulars in the birth registration of the child.<sup>106</sup> [<sup>106</sup> Adoption Matters Amendment Act, no 56 of 1998, *Government Gazette* no 19286, 28 September 1998]

### **Child Care Amendment Act of 1999**

The Child Care Amendment Act of 1999 made provision for the minister of welfare to establish and maintain secure care facilities for children awaiting trial or sentence. The act also provided for the prohibition of the commercial sexual exploitation of children. In terms of the act, any person who participated or was involved in the commercial sexual exploitation of a child would be guilty of an offence. An owner, lessor, manager or occupier of a property on which such acts occurred was also

guilty of an offence if they failed to report such occurrences to the police.<sup>107</sup> [<sup>107</sup> Child Care Amendment Act, no 13 of 1999, *Government Gazette* no 19963, 23 April 1999]

## **Maintenance Act of 1998**

The Maintenance Act of 1998 provided for the setting up of statutory guidelines relating to the duty of support of parents in respect of their children by enabling maintenance courts to make maintenance orders in the absence of respondents in appropriate cases. The act also provided for the extension of circumstances in which a maintenance court could order the payment of maintenance to be made on behalf of respondents. The act was seen as an interim measure pending the implementation of the South African Law Commission's recommendations once its investigation into the review of the maintenance system was finalised. In September 1999 the minister of justice, Mr Penuell Maduna, told the national assembly that the government's delay in enforcing the act had left 'millions' of women and children suffering.<sup>108</sup> [<sup>108</sup> *The Citizen*, *The Star* 23 September 1999; Maintenance Act, no 99 of 1998]

## **KEY PROJECTIONS**

- South Africa's infant mortality rate would decline by 20% over the ten-year period from 1996 to 2006, according to the Institute for Futures Research.
- By 2010 the number of children in South Africa who die of AIDS would increase to 99.5 per 1 000 children, compared to the 48.5 it would have been without AIDS, according to the United Nations Agency for AIDS (UNAIDS).
- According to UNAIDS estimates, by 2010 life expectancy in South Africa would fall from 68 years to 48 years as a result of AIDS, ie by some 30%. The population growth rate would also drop, from 1.4% to 0.4% over the same period, ie by 71%.
- Some 5.6m people in South Africa would be HIV positive by 2005, according to Metropolitan Life. More than 18% of the workforce would be infected by 2005.
- The minister for welfare and population development, Ms Geraldine FraseMoleketi, predicted that almost 250 000 people would die annually within three years because of the AIDS epidemic. The figure would increase to 500 000 deaths annually by 2007.
- The cumulative number of AIDS deaths by 2001 would be more than 1m, rising to 4m by 2008, Ms Fraser-Moleketi said.
- A medical aid administrator, Medscheme, estimated that one fifth of medical aid members would be HIV positive within a decade.

- According to the new minister of health, Dr Manto Tshabalala-Msimang, some 6m South Africans would be HIV positive by 2005, and there would be 1m orphans because of AIDS.

## EMPLOYMENT

### BIRD'S EYE VIEW

Unemployment remained a major structural problem in the South African economy during the period under review. The publication of the 1996 census, as well as several other pieces of research, highlighted the severity of the problem. South Africa had an economically active population (EAP) of some 13.8m in 1996, of whom some 9.1m were employed and 4.7m were unemployed. The rate of unemployment was 34%. However, in 1998 Statistics South Africa (Stats SA) published new figures using a 'strict' definition of unemployment, ie a person was classified as unemployed only if he or she was actively seeking employment. This showed that the unemployed were some 23% of the EAP in 1997. Unemployment on this definition had increased from some 2m in 1994 to 2.2m in 1997. On the 'expanded' definition it had increased from some 3.7m in 1994 to 4.6m in 1997.

Unemployment was especially acute among Africans, particularly African women and those in the rural areas. Young people were also more likely to be unemployed (some 57% of those aged 15–30 were unemployed in 1997, according to the strict definition of unemployment).

The causes of unemployment remained a contested subject throughout the period under review. Reasons offered for it included slow economic growth, the 'inflexibility' of the labour market arising from labour legislation, a reduction in tariffs which allowed imports to threaten domestic industries, mechanisation and the increasing use of capital-intensive production processes, insufficient investment, and a general shortage of skills and entrepreneurial ability.

A 'jobs summit' was convened in October 1998 between the government and its 'social partners' at the National Economic Development and Labour Council—organised business and organised labour. The summit pledged to review some of the targets of the *Growth, Employment and Redistribution* macro-economic strategy (*Gear*), although the strategy itself was retained. Other resolutions included promoting small businesses and tourism, a mass housing programme, providing education and training, and initiatives designed to provide jobs through public service programmes.<sup>1</sup> [<sup>1</sup> Department of Labour, *Declaration of the Presidential Jobs Summit*, 1998]

Organised labour began to establish a trust fund for job creation, which would be financed through the donation of one day's wages by all employed people who wished to contribute.<sup>2</sup> [<sup>2</sup> *Business Day* 4 November 1998] It was unclear whether these initiatives would help to reduce unemployment. Mr Clem Sunter, the chairman of AnglAmerican's corporate affairs division and a prominent commentator, said that the summit had failed to recognise that a focus on big business and the public sector was inappropriate, since these were areas which would destroy jobs over the next decade.<sup>3</sup> [<sup>3</sup> *The Star Business Report* 19

November 1999] Some political parties, notably the Democratic Party, questioned whether the summit would have any tangible benefits, since it was unlikely to address structural problems such as rigid labour laws.<sup>4</sup> [<sup>4</sup> *The Citizen* 28 October 1998]

In January 1999 the deputy president, Mr Thabo Mbeki, pledged to review certain aspects of the country's labour legislation in order to determine if it was contributing to the country's unemployment problem, and to ensure that legislation 'is consistent with job creation'.<sup>5</sup> [<sup>5</sup> *Sunday Times* 10 January 1999] The African National Congress said that this investigation would not necessarily lead to any amendments.<sup>6</sup> [<sup>6</sup> *The Star Business Report* 13 January 1999] In February 1999 the minister of labour, Mr Membathisi Mdladlana, announced that the Department of Labour would be prepared to consider amending labour legislation if it could be proved that this would result in the creation of more employment.<sup>7</sup> [<sup>7</sup> *Sake Beeld* 12 February 1999] In November 1999 the minister relaxed certain basic employment conditions for businesses with fewer than 10 employees.

The Skills Development Act of 1998 was passed during the period under review. This aimed to establish a framework for training in the workforce. The director general of labour, Mr Siphso Pityana, pointed out that between 1973 and 1993, the proportion of unskilled jobs in the South African economy had been declining (from 61% to 48%), while those requiring a high level of skill had risen from 10% to 18%. Only some 20% of the South African workforce were considered skilled.

Another major consideration of state policy was the importance of changing the demographic profile of the workforce, in both the public and the private sector. The Employment Equity Act of 1998 compelled 'designated' employers to implement affirmative action programmes. A survey conducted by FSA-Contact in 1998 found that some 95% of companies were implementing affirmative action policies. The demographic profile of the public service broadly conformed to that of the general population. The government's *White Paper on Affirmative Action in the Public Service*, however, indicated that affirmative action would continue to be pursued, and that previous targets for representation at various levels in the public service by black people, women, and the disabled would be considered 'minimum national targets'. It was unclear whether affirmative action—in both the public and the private sector—would continue indefinitely, or whether it would be abandoned once 'equity' had been achieved. The Employment Equity Act did not clarify this.

Income inequality in South Africa remained extensive. Among employed people, only 16% received incomes of more than R3 501 per month, while some 26% received R500 or less, according to the 1996 census. However, among white males, 65% received more than R3 501 per month, compared with 6% of African males and 5% of African females. Some 26% of African males, and 48% of African females received R500 or less. Of an employed workforce of 9.1m people, some 7.4m received an income of R3 500 a month or less.

There were substantial differences in annual real earnings in the manufacturing sector between race groups. In 1997 the annual earnings of whites in this sector were R42 584, compared with R12 608 for

Africans, R14 792 for coloured people, and R20 517 for Indians. However, annual real earnings in the manufacturing sector rose significantly between 1975 and 1997 for Africans, coloured people, and Indians (by 49%, 31%, and 65% respectively), but declined marginally for whites.

## KEY POINTS

- South Africa had an economically active population of 13.8m in 1996 and 15.8m in 1999, according to Statistics South Africa.
- The country's labour force participation rate (the proportion of the working age population actually economically active) was 57% in 1996.
- The 1996 census found that the largest single proportion (15%) of employed people worked in the community, social, and personal services sector (which includes government).
- The public service employed 1.1m workers on 31st December 1998. Some 70% of public sector employees were African, 8.5% were coloured, 3.5% were Indian, and 18% were white.
- A study of South Africa's rural population in 1997 found that there were some 2.4m households in rural areas of former homelands, of which 1.7m engaged in farming. But farming accounted for only 2.7% of their income.
- Between 1973 and 1993 the proportion of 'highly skilled' jobs in the economy rose from 10% to 18%, and that of 'skilled' jobs from 29% to 34%. 'Semi-skilled' and 'unskilled' jobs declined as a proportion of the total from 61% to 48%.
- Some 3m people, or 20% of South Africa's economically active population, were highly skilled or skilled.
- Some 16% of South Africans had a monthly income of R3 501 or more compared with 26% whose monthly income was between R0 and R500, according to the 1996 census.
- Africans were concentrated in the lower income levels (50% of African men and 69% of African women had monthly incomes of R1 000 or less), while 65% of white men and 35% of white women had monthly incomes of R3 501 or more.
- South Africa experienced a net loss of 2 773 economically active people during 1998, owing to emigration.
- Some 95% of employers were implementing affirmative action programmes in 1998, according to a survey by FSA-Contact. Black people held 12% of senior positions in 1998.



- The formal private sector accounted for some 72% of total formal sector employment in 1975, dropping to some 65% in 1998.
- Full and casual employment in agriculture dropped by 24% from 1 219 648 to 930 141 between 1988 and 1996.
- With effect from 15th November 1999, businesses with fewer than 10 workers would have certain sections of the Basic Conditions of Employment Act partially relaxed, the minister of labour announced. The ceiling on overtime, for example, was raised from 10 to 15 hours.

## LEGISLATION

Two significant pieces of legislation with a bearing on employment were enacted during the period under review.

### Employment Equity Act of 1998

The Employment Equity Act of 1998 sought to ensure that employers took ‘steps to promote equal opportunity in the workplace by eliminating unfair discrimination in any employment policy or practice’. It sought to make the workforce broadly representative of the demographics of the country. The act prohibited ‘unfair discrimination’ on 19 grounds (including race and sex), and was backed by a reversal of the onus of proof. This meant that if an employer was accused of unfair discrimination, he would be required to prove that this was not true—as opposed to the person or body making the allegation being required to prove that it was true. The act compelled ‘designated employers’ (those with 50 or more employees, or with an annual turnover in excess of certain thresholds) to draw up and implement plans for affirmative action. These plans would include ‘numerical goals’ for equitable representation by certain categories of people (black people, women, and the disabled), and timeframes within which these would be realised. The act also obliged employers to reduce ‘disproportionate’ income differentials between various categories of staff. Fines of between R500 000 and R900 000 could be levied for contraventions of the act.<sup>8</sup> [<sup>8</sup> *Government Gazette* no 19370, 19 October 1998]

The act would become operational over an extended period. In May 1999 the Commission for Employment Equity, chaired by Professor Mapule Ramashala, was formed to oversee the implementation of the act, and to advise the minister of labour on policy matters relating to the act. Part of the act, which forbade unfair discrimination in the workplace, was due to be promulgated in August 1999. Most of the remainder of the act, concerning such aspects as the requirement that employers have to submit reports on the racial composition of their workforces to the Department of Labour, would be promulgated in December 1999. A final section, which made compliance with the act a precondition for securing government contracts, would be promulgated during the course of the following year.<sup>9</sup> [<sup>9</sup> Telephonic interview with Ms Roshnee Pillay, assistant director, Department of Labour, 20 July 1999]

## Skills Development Act of 1998

The Skills Development Act of 1998 sought to create a framework for improving the skills of South Africa's workforce.<sup>10</sup> [<sup>10</sup> *Government Gazette* no 19420, 2 November 1998] (See chapter on *Education*.)

## ECONOMICALLY ACTIVE POPULATION

Statistics South Africa (Stats SA) defined the economically active population (EAP) as all those who were between the ages of 15 and 65 years who were working, or were unemployed (see *Unemployment* below). The EAP included people employed in the informal sector and the self-employed, and excluded people of working age who were not available for work, such as full-time homemakers, and those who were unable or unwilling to work.

### 1996 Census

There were some 13.8m economically active people in South Africa in 1996, according to the 1996 census.

The table below provides a profile of the EAP by race and sex in 1996.<sup>11</sup> [<sup>11</sup> Statistics South Africa (Stats SA), *The People of South Africa, Population Census, 1996*, Report No 1: 03-01-11 (1996), 1998]

#### *Economically active population by race and sex: 1996<sup>a</sup>*

African

Coloured

Indian

White

Unspecified/ other

*Total<sup>b</sup>*

*Employed*

Male

3 506 509

633 417

234 583

1 060 736

46 658

**5 481 903**

Female

2 175 968

496 099

128 903

795 716

35 258

**3 631 944**

Total

5 682 476

1 129 515

363 486

1 856 452

81 917

9 113 847

*Unemployed*

Male

1 810 570

141 555

29 312

45 938

12 543

**2 039 917**

Female

2 395 421

157 676

21 068

43 127

14 437

**2 631 730**

Total

4 205 992

299 231

50 379

89 066

26 980

4 671 647

*Total EAP*

Male

5 317 079

774 971

263 895

1 106 674

59 201

**7 521 820**

Female

4 571 389

653 775

149 971

838 843

49 696

**6 263 673**

Total<sup>b</sup>

9 888 468

1 428 746

413 866

1 945 517

108 897

13 785 493

*Source:* Statistics South Africa

a

Excluding institutions. Institutions are communal temporary, semi-permanent, or living arrangements for people in special circumstances, such as prisons, and homes for the disabled.

b

Figures should add up horizontally and vertically but may not, owing to rounding.

The graph below shows the racial breakdown of

Africans accounted for 72% of the EAP, followed by whites (14%), coloured people (10%), and Indians (3%). Men made up some 55% of the EAP and women 45%. However, some 43% of the working age population was not economically active. (See *Labour force participation rate* below.)

The table below provides a breakdown of the EAP by province in 1996.<sup>12</sup> [<sup>12</sup> Ibid]

***Economically active population by province: 1996<sup>a</sup>***

*Province*

Employed

Unemployed

***Total***

Eastern Cape

786 818

742 427

**1 529 244**

Free State

701 175

299 948

**1 001 122**

Gauteng

2 564 243

1 007 766

**3 572 009**

KwaZulu-Natal

1 570 573

1 008 944

**2 579 517**

Mpumalanga

605 925

297 290

**903 215**

North West

725 287

443 546

**1 168 833**

Northern Cape

215 523

86 060

**301 583**

Northern Province

570 129

486 554

**1 056 683**

Western Cape

1 374 174

299 114

**1 673 288**

South Africa<sup>b</sup>

9 113 847

4 671 647

13 785 493

*Source:* Statistics South Africa

a

Excluding institutions. Institutions are communal temporary, semi-permanent, or living arrangements for people in special circumstances, such as prisons, and homes for the disabled.

b



Figures should add up horizontally and vertically but may not, owing to

The largest proportion of South Africa's EAP resided in Gauteng (26%), while the smallest proportion lived in the Northern Cape (2%). Nearly half the EAP of the Eastern Cape was unemployed (49%), as opposed to some 18% of the EAP in the Western Cape. Gauteng had the largest number of employed people (2.6m), and the second lowest rate of unemployment (28%). (See also *Unemployment* below.)

The following chart shows the EAP by employed and unemployed people in 1996:

The census's determination of the EAP was noticeably smaller than had been suggested by previous estimates. The 1995 *October Household Survey* had estimated the EAP to be 14 356 000, 570 507 more people than the findings of the 1996 census. (See 1997/98 Survey, p230.)

### **Labour Force Participation Rate**

The labour force participation rate is the proportion of the working age population that is economically active. The table below shows South Africa's labour force participation rate by race.<sup>13</sup> [<sup>13</sup> Ibid]

#### ***Labour force participation rate: 1996<sup>a</sup>***

African

54.9%

Coloured

64.9%

Indian

58.4%

White

66.7%

#### **Total population**

57.4%

*Source:* Statistics South Africa

a

Excluding institutions. Institutions are communal temporary, semi-permanent, or living arrangements for people in special circumstances, such as prisons, and homes for the disabl

The graph below illustrates the labour force participation by race in 1996.

The highest rate of labour force participation was among whites (67%), followed by coloured people (65%), Indians (58%), and Africans (55%).

## 1999 Estimates

In July 1999 Statistics South Africa (Stats SA) published its annual mid-year population estimates. According to these figures, there were 15.8m economically active people in South Africa in 1999.

The table below provides a breakdown of the EAP by province in 1999.<sup>14</sup> [<sup>14</sup> Stats SA, *Mid-year estimates*, Statistical Release PO302, 12 July 1999]

### *Economically active population by province: 1999<sup>a</sup>*

Eastern Cape

1 826 754

Free State

1 124 472

Gauteng

4 005 744

KwaZulu-Natal

3 031 202

Mpumalanga

1 050 220

North West

1 345 038

Northern Cape

333 109

Northern Province

1 268 422

Western Cape

1 842 017

**Total**

15 826 978

*Source:* Statistics South Africa

a

Natural increase based on the 1996 census and an estimation of fertility and mortality. Figures exclude net migration.

The table below provides a breakdown of the EAP in 1999 by race

***Economically active population by race and sex: 1999<sup>a</sup>***

*African*

Male

6 136 522

Female

5 468 970

**Total**

11 605 492

*Coloured*

Male

850 015

Female

726 227

**Total**

1 576 242

*Indian*

Male

284 228

Female

164 355

**Total**

448 583

*White*

Male

1 182 300

Female

891 721

**Total**

2 074 021

*Other and unspecified*

Male

66 197

Female

56 443

**Total**

122 640

Total EAP

15 826 978

*Source:* Statistics South Africa

a

Natural increase based on the 1996 census and an estimation of fertility and mortality. Figures excl

## **Growth 1991–99**

The table below shows the size of the economically active population by race from 1991 to 1999.<sup>16</sup> [16  
Ibid]

### *Economically active population by race: 1991–99<sup>a</sup>*

*Year*

African

Coloured

Indian

White

Other/ unspecified

***Total***

1991

9 514 700

1 345 600

392 100

1 925 200

108 200

**13 285 900**

1992

9 754 900

1 372 700

398 800

1 943 400

109 800

**13 579 600**

1993

10 000 700

1 400 100

405 600

1 961 800

111 600

**13 879 900**

1994

10 252 400

1 428 100

412 600

1 980 200

113 400

**14 186 800**

1995

10 510 300

1 456 600

419 500

1 998 700

115 300

**14 500 500**

1996

10 774 500

1 485 800

426 600

2 017 400

117 100

**14 821 400**

1997

11 044 900

1 515 300

433 800

2 036 100

118 900

**15 149 000**

1998

11 321 800

1 545 500

441 100

2 055 000



120 800

**15 484 200**

1999

11 605 492

1 576 242

448 583

2 074 021

122 640

**15 826 978***Source:* Statistics South Africa

a

Natural increase based on the 1996 census and an estimation of fertility and mortality. Figures exclude net migration. Figures for 1991–95 have been adjusted using backward projections of the 1996 census results and inferring the rate of increase from the totals (includes former ‘independent’ homelands).

The graph below plots the size of the EAP between 199

## Profile of the Working Population

### Profile According to the 1996 Census

In 1996 there were some 9.1m employed people in South Africa, according to the census. Of these, the single largest group was in ‘elementary’ occupations (those that required a generally low level of skill, such as domestic service, manual labour in various fields, and certain types of activity in the informal sector, such as street vending), while the smallest group were skilled agricultural and fishery workers.

The table below provides a breakdown of occupations among employed people, according to the 1996 census.<sup>17</sup> [17 Stats SA, *Population Census 1996*]

***Employment by occupation: 1996<sup>a</sup>***

*Category*

Number employed

Proportion of total<sup>b</sup>

**Legislators, senior officials, and managers**

363 028

4.0%

Professionals

852 578

9.4%

**Technicians and associate professionals**

534 169

5.9%

Clerks

707 032

7.8%

**Service workers, shop and market sales workers**

810 804

8.9%

Skilled agricultural and fishery workers

355 626

3.9%

**Craft and related trade workers**

1 277 888

14.0%

**Plant and machine operators and assemblers**

640 033

7.0%

**Elementary occupations<sup>c</sup>**

2 375 449

26.1%

**Unspecified/other**

1 197 239

13.1%

**Total<sup>b</sup>**

9 113 847

100%

*Source:* Statistics South Africa

a

Excluding institutions. Institutions are communal temporary, semi-permanent, or living arrangements for people in special circumstances, such as prisons, and homes for the disabled.

b

Figures should add up but may not, owing to rounding.

c

Includes domestic service and manual labour.

The table below provides a breakdown of the employed by province and occupa

***Employment by occupation and province: 1996<sup>a</sup>***

*Category*

Eastern Cape

Free State

Gauteng

KwaZulu-Natal

Mpumalanga

Legislators, senior officials, and managers

29 805

18 068

128 722

49 079

22 133

Professionals

96 195

49 539

250 676

144 273

42 144

Technicians and associate professionals

47 329

26 188

192410

89 794

22 108

Clerks

52 655

40 005

256 633

109 067

33 235

Service workers, shop and market sales workers

66 686

54 491

258 104

126 425

52 669

Skilled agricultural and fishery workers

34 422

39 906

52 972

51 696

40 916

Craft and related trade workers

88 833

92 949

410 630

186 319

96 941

Plant and machine operators and assemblers

42 547

65 161

175 937

188 776

56 150

Elementary occupations

217 469

251 245

498 279

377 072

179 233

Unspecified/other

110 876

63 622

339 879

318 073

60 426

**Total<sup>b</sup>**

786 818

701 175

2 564 243

1 570 57

*Employment by occupation and province: 1996<sup>a</sup> (continued)*

*Category*

North West

Northern Cape

Northern Province

Western Cape

*South Africa*

Legislators, senior officials, and managers

21 720

5 551

12 647

75 302

**363 028**

Professionals

57 539

14 382

73 320

124 540

**852 578**

Technicians and associate professionals

29 277

9 152

20 135

97 776

**534 169**



Clerks

42 478

13 974

25 260

133 725

**707 032**

Service workers, shop and market sales workers

64 105

16 844

50 008

121 471

**810 804**

Skilled agricultural and fishery workers

33 428

17 365

45 455

39 466

**355 626**

Craft and related trade workers

143 011

23 136

79 517

156551

**1 277 888**

Plant and machine operators and assemblers

57 015

8 946

26 835

88 668

**640 033**

Elementary occupations

200 910

82 686

164 692

403 862

**2 375 449**

Unspecified/other

75 805

23 488

72 259

132 812

**1 197 239**

Total<sup>b</sup>

725 287

215 523

570 129

1 374 174

9 113 847

*Source:* Statistics South Africa

a

Excluding institutions. Institutions are communal temporary, semi-permanent, or living arrangements for people in special circumstances, such as prisons, and homes for the disabled.

b

Figures should add up but may not, owing

Provinces differed markedly from one another in the occupational structure of employment. For example, the proportion of professionals among the employed ranged from about 7% in the Free State, Mpumalanga, and the Northern Cape to between 12% and 13% in the Eastern Cape and the Northern Province. Professionals as a proportion of the employed accounted for some 9% in South Africa as a whole. The proportion of the employed engaged in elementary occupations ranged from 19% in Gauteng to 38% in the Northern Cape, with a national average of some 26%.

The table below provides a breakdown of employment by occupation and sex in 1996.<sup>19</sup> [<sup>19</sup> Ibid]

***Employment by occupation and sex: 1996<sup>a</sup>***

Male

Female

Category

Number employed

Proportion of total

Number employed

Proportion of total

***Total<sup>b</sup>***

Legislators, senior officials, and managers

263 372

72.5%

99 656

27.5%

**363 028**

Professionals

380 984

44.7%

471 594

55.3%

**852 578**

Technicians and associate professionals

278 086

52.1%

256 083

47.9%

**534 169**

Clerks

220 595

31.2%

486 437

68.8%

**707 032**

Service workers, shop and market sales workers

529 835

65.3%

280 969

34.7%

**810 804**

Skilled agricultural and fishery workers

283 627

79.8%

72 000

20.2%

**355 627**

Craft and related trades workers

1 113 557

87.1%

164 331

12.9%

**1 277 888**

Plant and machine operators and assemblers

540 820

84.5%

99 213

15.5%

**640 033**

Elementary occupations

1 021 826

43.0%

1 353 622

57.0%

**2 375 448**

Unspecified/other

849 201

70.9%

348 039

29.1%

**1 197 240**

Total<sup>c</sup>

5 481 903

60.1%

3 631 944

39.9%

9 113 847

*Source:* Statistics South Africa

a

Excluding institutions. Institutions are communal temporary, semi-permanent, or living arrangements for people in special circumstances, such as prisons, and homes for the disabled.

b

As calculated by the South African Institute of Race Relations.

c

Figures should add up but may not, owing to rounding.

Although substantially more men (60%) were employed than women (40%), women outnumbered men in certain categories. Some 55% of professionals and 69% of clerks were women. There were also more women than men in the elementary occupations (which included domestic workers).

The table below provides a breakdown of the employed by economic s

***Employment by economic sector:<sup>a</sup> 1996***

*Sector*

Number employed

Proportion of total

**Agriculture, hunting, forestry, and fishing**

814 305

8.9%

Mining and quarrying

541 546

5.9%

**Manufacturing**

1 119 973

12.3%

Electricity, gas, and water supply

109 334

1.2%

**Construction**

555 129

6.1%



Wholesale and retail trade

1 098 051

12.0%

**Transport, storage, and communication**

483 625

5.3%

Financial, insurance, real estate, and business services

680 156

7.5%

**Community, social, and personal services**

1 350 249

14.8%

Private households

1 053 103

11.6%

**Not adequately defined**

1 077 868

11.8%

Unspecified

230 435

2.5

**Total<sup>b</sup>**

725 287

215 523

*Source:* Statistics South Africa

a

Excluding institutions. Institutions are communal temporary, semi-permanent, or living arrangements for people in special circumstances, such as prisons, and homes for the disabled.

b

Figures should add up but may not, owing to rounding.

The pie chart below shows the distribution of employment by econom

Of the employed in South Africa, the largest single proportion (15%) worked in the community, social, and personal services sector. Some 12% worked in manufacturing, while the smallest proportion, slightly more than 1%, worked in the electricity, gas, and water supply sector.

The following table provides a provincial breakdown of employment by economic sector in 1996:<sup>21</sup> [<sup>21</sup> Ibid]

***Employment by economic sector and province:<sup>a</sup> 1996***

*Category*

Eastern Cape

Free State

Gauteng

KwaZulu-  
Natal

## Mpumalanga

### Agriculture, hunting, forestry, and fishing

70 470

102 335

36 094

118 071

102 863

### Mining and quarrying

7 154

123 191

168 065

15 860

55 703

### Manufacturing

97 035

43 774

327 588

265 701

59 158

### Electricity, gas, and water supply

5 598

7 363

36 522

14 103

17 800

Construction

43 635

32 122

158 359

85 021

41 540

Wholesale and retail trade

83 818

62 953

351 762

169 861

70 836

Transport, storage, and communication

32 851

32 011

170 093

86 900

27 100

Financial, insurance, real estate, and business services

35 181

26 045

318 708

98 602

21 102

Community, social, and personal services

159 453

85 772

359 660

221 560

67 525

Private households

102 863

104 342

308 037

173 558

69 568

Not adequately defined

125 025

58 526

267 889

287 357

59 830

Unspecified

23 735

22 740

61 465

33 979

12 899

**Total**

786 818

701 175

2 564 243

1 570

*Employment by economic sector and province<sup>a</sup> :1996 (continued)*

*Category*

North West

Northern Cape

Northern Province

Western Cape

*South Africa*

Agriculture, hunting, forestry, and fishing

81 707

48 646

83 019

171 144

**814 350**

Mining and quarrying

121 556

18 556

27 625

3 836

**541 546**

Manufacturing

55 119

8 812

27 912

234 875

**1 119 973**

Electricity, gas, and water supply

7 532

2 397

6 954

11 064

**109 334**

Construction

38 885

10 402

42 790

102 375

**555 129**

Wholesale and retail trade

86 418

23 099

58 582

190 723

**1 098 051**

Transport, storage, and communication



31 167

9 963

25 409

68 159

**483 652**

Financial, insurance, real estate, and business services

25 199

7 733

20 851

126 734

**680 156**

Community, social, and personal services

103 533

31 402

110 701

210 634

**1 350 249**

Private households

93 890

26 887

77 355

96 602

**1 053 103**

Not adequately defined

60 862

19 305

72 443

126 631

**1 077 868**

Unspecified

19 418

8 322

16 488

31 389

**230 435**

Total

725 287

215 523

570 129

1 374 174

9 113 847

*Source:* Statistics South Africa

a

Excluding institutions. Institutions are communal temporary, semi-permanent, or living arrangements for people in special circumstances, such as prisons, and homes for

Employment in different provinces was dominated by different economic sectors. For instance, some 17% of the workforce in KwaZulu-Natal and the Western Cape worked in the manufacturing sector, as did 12% of the workforce in the Eastern Cape and Gauteng. The manufacturing sector employed only 4% of the workforce in the Northern Cape, and 5% in the Northern Province. The financial, insurance, real estate, and business services sector was a relatively important source of employment in Gauteng (12% of its workforce being employed in this sector), and the Western Cape (9%), but less important in the North West and Mpumalanga (3% each).

The agriculture, hunting, forestry, and fishing sector provided employment to a large proportion of the workforce in the Northern Cape (23%), Mpumalanga (17%), the Free State, and the Northern Province (15% each). Only 1% of the workforce in Gauteng was employed in this sector.

### **Non-Farming, Non-Domestic Formal Sector**

*The formal sector refers to businesses which are registered for tax purposes, and which have a VAT number. The section below refers to non-agricultural, non-domestic formal employment.*<sup>22</sup> [22 Central Statistical Service (CSS), *Employment and Unemployment in South Africa, October Household Survey, 1994–97*, Statistical Release PO317.10, 13 August 1998]

The following table shows trends in employment in the formal private and public sectors, based on research conducted by Statistics South Africa:<sup>23</sup> [23 CSS, *Labour Statistics*, Statistical Release PO200, 30 April 1996; Stats SA, *Labour Statistics*, Statistical Release PO271, 19 January 1999, 30 March 1999]

#### ***Non-agricultural, non-domestic, formal private and public sector employment: 1994–98<sup>a</sup>***

Sector

1994

1995

1996

1997

1998

Mining

600 619

582 766

562 480

524 244

402 397

Electricity, gas, and water

39 760

39 952

39 857

39 203

37 311

Construction

355 114

336 939

312 051

301 371

255 220

## Wholesale and retail trade, catering, and accommodation

740 094

772 724

776 177

785 586

834 290

## Manufacturing

1 409 977

1 396 804

1 451 629

1 373 906

1 342 064

## Transport,<sup>b</sup> storage, and communication

284 938

280 235

280 031

267 779

248 697

## Financial intermediation, insurance, real estate, and business services

195 784

208 352

213 841

221 360

215 297

Community, social, and personal services (mainly government)

1 585 536

1 605 604

1 588 921

1 577 102

1 562 529

**Total<sup>c</sup>**

5 211 822

5 223 376

5 224 987

5 090 551

4 897 805

*Source:* Statistics South Africa

a

Figures compare fourth quarters of each year.

b

Excluding taxis, local authorities, and areas covered by the former 'independent' homelands.

c

Figures should add up but may not, owing to rounding.

The pie chart below provides a sectoral breakdown of jobs in the non-agricultural, non-domestic, formal

The change in employment in the formal public and private sectors between 1994 and 1998 is shown in the table below (brackets denote a decrease).<sup>24</sup> [<sup>24</sup> Ibid]

***Change in non-agricultural, non-domestic, formal private and public sector employment: 1994–98<sup>a</sup>***

*Sector*

1995<sup>b</sup>

1996

1997

1998

1994–98

Mining

(3.0%)

(3.5%)

(6.8%)

(23.2%)

(33.0%)

Electricity, gas, and water

0.5%

(0.2%)

(1.6%)

(4.8%)

(6.2%)

### Construction

(5.1%)

(7.4%)

(3.4%)

(15.3%)

(28.1%)

### Wholesale and retail trade, catering, and accommodation

4.4%

0.4%

1.2%

6.2%

12.7%

### Manufacturing

(0.9%)

3.9%

(5.4%)



(2.3%)

(4.8%)

Transport,<sup>c</sup> storage, and communication

(1.7%)

(0.1%)

(4.4%)

(7.1%)

(12.7%)

Financial intermediation, insurance, real estate, and business services

6.4%

2.6%

3.5%

(2.7%)

10.0%

Community, social, and personal services (mainly government)

1.3%

(1.0%)

(0.7%)

(0.9%)

(1.5%)

**Total<sup>d</sup>**

0.2%

0.0%<sup>e</sup>

(2.6%)

(3.8%)

(6.0%)

*Source:* Statistics South Africa

a

Figures compare fourth quarters of each year.

b

Increase over 1994.

c

Excluding taxis, local authorities, and areas covered by the former 'independent' homelands.

d

Figures should add up but may not, owing to rounding.

e

Figure too sma

With the exception of the wholesale and retail trade, catering, and accommodation sector; and the financial and other services sector (which grew by 13% and 10% respectively from 1994 to 1998), no sector showed a consistent growth in employment over that period. Employment in mining and construction declined substantially, especially during 1998.

The minister of minerals and energy, Mr Penuell Maduna, said that the number of people employed on South Africa's mines declined by 44 632 in 1997, the biggest decline (34 818) being in gold mining.<sup>25</sup> [<sup>25</sup>

Institute for Futures Research, University of Stellenbosch, *Friday at Noon*, 9 October 1998]

The following table shows the change in formal employment between 1975 and 1998, as calculated by the South African Reserve Bank (brackets denote a decrease):<sup>26</sup> [26 Fax communication from the South African Reserve Bank (SARB) , 3 June 1999]

*Non-agricultural, non-domestic, formal private and public sector employment:<sup>a</sup>*

19Year
Public sector
Increase (decrease)
Private sector
Increase (decrease)
Total
Increase (decrease)

1975

1 299 158

N/A

3 368 577

N/A

4 667 735

N/A

**1976**

1 344 235

3.5%

3 413 915

1.3%

4 758 150

1.9%

1977

1 375 372

2.3%

3 331 646

(2.4%)

4 707 019

(1.1%)

**1978**

1 406 935

2.3%

3 307 849

(0.7%)

4 714 784

0.2%

1979

1 423 280

1.2%

3 393 092

2.6%

4 816 372

2.2%

**1980**

1 467 192

3.1%

3 619 422

6.7%

5 086 614

5.6%

1981

1 518 062

3.5%

3 797 863

4.9%

5 315 925

4.5%

**1982**

1 576 790

3.9%

3 821 096

0.6%

5 397 886

1.5%

1983

1 627 362

3.2%

3 744 268

(2.0%)

5 371 630

(0.5%)

**1984**

1 678 659

3.2%

3 790 125

1.2%

5 468 784

1.8%

1985

1 675 536

(0.2%)

3 777 637

(0.3%)

5 453 173

(0.3%)

**1986**

1 733 432

3.5%

3 798 274

0.5%

5 531 706

1.4%

1987

1 758 690

1.5%

3 843 878

1.2%

5 602 568

1.3%

**1988**

1 781 138

1.3%

3 931 744

2.3%

5 712 882

2.0%

**1989**

1 785 063

0.2%

3 949 381

0.4%

5 734 444

0.4%

**1990**

1 776 784

(0.5%)

3 920 775

(0.7%)

5 697 559



(0.6%)

1991

1 800 069

1.3%

3 782 412

(3.5%)

5 582 480

(2.0%)

**1992**

1 816 300

0.9%

3 653 736

(3.4%)

5 470 036

(2.0%)

1993

1 789 056

(1.5%)

3 562 806

(2.5%)

5 351 862

(2.2%)

**1994**

1 797 118

0.5%

3 530 765

(0.9%)

5 327 883

(0.4%)

**1995**

1 720 983

(4.2%)

3 549 752

0.5%

5 270 735

(1.1%)

**1996**

1 778 753

3.4%

3 456 824

(2.6%)

5 235 576

(0.7%)

1997

1 773 755

(0.3%)

3 371 329

(2.5%)

5 145 084

(1.7%)

**1998**

1 749 365

(1.4%)

3 177 478

(5.7%)

4 926 843

(4.2%)

*Source:* South African Reserve Bank

a

Excludes the informal sector.

b

Average number of employees over four quarters (seasonally adjusted).

NA – Not available.

The following graph illustrates trends in employment in the non-agricultural, non-domestic, formal public and private sectors

Between 1975 and 1998 the number of people employed in the private sector decreased by some 6%, while the number employed in the public sector rose by some 35%.

### **Private Sector**

The formal private sector accounted for some 72% of total formal sector employment in 1975, according to the reserve bank (see *Non-farming, non-domestic formal sector* above). This had declined to some 65% in 1998. The number of job opportunities in the formal private sector declined by some 6% over this period. The decrease in formal private sector job opportunities and the decline in the proportion of private sector jobs in the formal sector was particularly apparent from the late 1980s onward. Between 1989 and 1998, the number of formal, private sector jobs declined by 771 903 (or 20%). The proportion of private sector jobs in the formal sector declined from 69% in 1989 to 65% in 1998. The reserve bank attributed this trend largely to a decline in employment opportunities in the construction, manufacturing, and mining sectors.<sup>27</sup> [<sup>27</sup> SARB, annual report 1998]

### **Public Sector**

*The term public sector includes the entire scope of government and semi-government activities ie national departments, provinces, local authorities, parastatal institutions, universities and technikons, agricultural marketing boards, and public corporations. The term public service refers only to those people employed in national government departments (including ‘service departments’) and provincial administrations.*

Employment in the public sector accounted for some 28% of total formal sector employment in 1975 (see *Non-farming, non-domestic formal sector* above). This proportion had risen to some 36% by 1998. The number of jobs in the public sector increased by 450 207 (or 35%) over this period. However, a decline in the number of public service jobs was evident during the 1990s: in 1992 the public sector provided 1.8m jobs; in 1998, 1.7m—a decline of 67 000 jobs.

The public service employed 1.1m workers on 31st December 1998, according to the Department of Public Service and Administration. During 1998 employment in the public service dropped by some 3%, as illustrated in the table below.<sup>28</sup> [<sup>28</sup> Department of Public Service and Administration, *Exchequer Report* 1998]

*Changes in employment in the public service: 1997-98*

Decrease

31st December 1997

31st December 1998

Number of people

Proportion

National departments

83 661

70 588

13 073

15.6%

Service departments<sup>a</sup>

253 202

244 919

8 283

3.3%

Provincial administrations

801 686

785 277

16 409

2.1%

**Total public service workers**

1 138 549

1 100 784

37 765

3.3%

*Source:* Department of Public Service and Administration

a

Defence, Correctional Services, and Safety and Security.

Provinces employed relatively large numbers of people since the provision of health services and education occurred mainly at this level. More than 60% of public service employees were education or health workers, or uniformed personnel.<sup>29</sup> [<sup>29</sup> Ibid]

A further breakdown of people in provincial administrations by province is provided in the table b

***Public service workers by province: 1998***

*Province*

Number of workers

Proportion of provincial total

Population (1996 census)

Public servants/ 1 000 of population<sup>a</sup>

Eastern Cape

136 935

17.4%

6 302 525

22

Free State

61 054

7.8%

2 633 504

23

Gauteng

112 851

14.4%

7 348 423

15

KwaZulu-Natal

153 687

19.6%

8 417 021

18

Mpumalanga

51 355

6.5%

2 800 711

18

North West

67 169

8.6%

3 354 825

20

Northern Cape

14 821

1.9%

840 321

18

Northern Province

119 465

15.2%

4 929 368

24

Western Cape

67 940

8.7%



3 956 875

17

**All**

785 277

100.0%

40 583 573

19

*Source:* Department of Public Service and Administration

a

Number of public servants deployed in the provinces per 1 000 of the population of the relevant province, according to the 19

## **Agriculture**

The table below provides a profile of the agricultural sector in 1988 and 1996.<sup>31</sup> [<sup>31</sup> Stats SA, *Agricultural surveys 1994–96*, Statistical Release P11201, 4 February 1999]

### *Agriculture: farms, employment, spending, and debt<sup>a</sup>*

1988

1996

Change

Number of farming units

62 428

60 938

(2.4%)

Area (in millions of hectares)

85

82

(2.8%)

Working landowners/tenants/family members

77 821

65 138

(16.3%)

Number of full-time employees

724 439

625 451

(13.7%)

Number of casual and seasonal employees

495 209

304 690

(38.5%)

Cash remuneration of full-time employees

R2 828m<sup>c</sup>

R4 134m

46.2%

Cash remuneration of casual and seasonal employees

R394m<sup>c</sup>

R549m

39.4%

Other remuneration of regular employees

R949m<sup>c</sup>

R1 057m

11.4%

Other remuneration of casual and seasonal employees

R69m<sup>c</sup>

R65m

(5.2%)

**Total remuneration of employees<sup>b</sup>**

R4 239m

R5 804m

24.9%

Current expenditure of farm units

R19 225m

R19 814m

3.1%

Capital expenditure of farm units

R4 168m

R3 701m

(11.2%)

Farming debt

R23 514m

R19 472m

(17.2%)

*Source:* Statistics South Africa

a

All figures are at constant 1995 prices.

b

Figures should add up but may not, owing to rounding.

c

Figures are for 1990.

According to a report on the agricultural sector published by Statistics South Africa in early 1999, there were 625 451 regular agricultural employees in 1996, and 304 690 casual employees. The number of agricultural employees had not changed significantly between 1994 and 1996. The table below provides a breakdown by province of regular and casual employees in 1994,

***Total agricultural employment by province:1994-96***

1994

1995

1996

Province

Regular employees

Casual employees

Regular employees

Casual employees

Regular employees

Casual employees

Eastern Cape

43 141

74 455

45 367

19 295

42 272

20 811

Free State

70 668

43 716

69 581

46 961

72 181

46 680

Gauteng

28 184

4 844

24 752

4 743

33 939

5 356

KwaZulu-Natal

96 269

27 777

123 761

29 799

108 181

22 915

Mpumalanga

81 075

30 240

66 119

30 215

70 427

30 668

North West

60 764

36 007

56 449

37 770

59 045

39 311

Northern Cape

24 378

27 112

23 066

32 814

24 391

33 807

Northern Province

94 410

38 755

102 342

22 016

87 097

34 682

Western Cape

126 355

74 455

117 488

66 197

127 918

70 460

**Total**

625 244

302 185

628 925

289 810

625 451

304 690

*Source:* Statistics So

The table below provides a breakdown of agricultural employment by province and race between 1994 and 1996.<sup>33</sup> [33 Ibid]



***Agricultural employment by province and race: 1994–96***

---

African

---

---

Coloured

---

Province

1994

1995

1996

1994

1995

1996

Eastern Cape

28 071

29 043

27 172

13 711

14 710

13 845

Free State

68 022

66 722

69 507

954

1 007

941

Gauteng

26 890

23 722

32 299

30

3

2

KwaZulu-Natal

91 153

118 328

103 255

148

159

219

## Mpumalanga

78 722

64 095

68 168

34

45

74

## North West

58 847

54 589

57 278

299

246

161

## Northern Cape

10 959

9 340

10 290

12 731

12 978

13 234

Northern Province

91 852

98 357

84 877

56

1 327

25

Western Cape

17 640

16 251

16 479

103 342

96 308

106 446

**Total**

472 156

480 447

469 325

131 305

126 783

*Agricultural employment by province and race: 1994–96 (continued)*

---

Indian

---

---

White

---

Province

1994

1995

1996

1994

1995

1996

Eastern Cape

0

0

0

1 359

1 614

1 255

Free State

8

0

35

1 684

1 852

1 698

Gauteng

14

13

4

1 250

1 014

1 634

KwaZulu-Natal

1 975

2 412

1 932

2 993

2 862

2 775

### Mpumalanga

6

17

39

2 313

1 962

2 146

### North West

39

22

30

1 579

1 592

1 576

### Northern Cape

4

6

0

684

742

867

Northern Province

0

0

11

2 502

2 658

2 184

Western Cape

0

0

0

5 373

4 929

4 993

**Total**

2 046

2 470



2 051

19 737

19 225

19 128

*Source:* Statistics South Africa

In December 1998 the Helen Suzman Foundation published the results of a study into the conditions of and relationship between farmers and farmworkers in KwaZulu-Natal, which had been undertaken in 1996 and 1997 at the request of the Natal Agricultural Union (NAU—subsequently the KwaZulu-Natal Agricultural Union (Kwanalu)).

Income and remuneration to farmworkers varied between ‘middle to top workers’, and ‘rank-and-file’ employees. The study also investigated the cash value of benefits (such as rations, fuel, and electricity), and deductions (such as rent, payment for rations, and goods purchased from

‘Middle to top’ workers received, on average, a cash wage of R518 per month after deductions. When the value of benefits and deductions was added to this, they received a remuneration package of R730 per month. ‘Rank-and-file’ employees received an average cash wage of R36 after deductions, and a total package of R511, including the value of deductions and benefits.<sup>34</sup> [<sup>34</sup> Johnson RW and Schlemmer L, *Farmers and Farmworkers in KwZulu-Natal: Employment conditions, labour tenancy, land reform, attitudes and relationships*, Helen Suzman Foundation, December 1998, pp34–36]

The study found that while there were cash wage differentials between ‘middle to top’ farmworkers, and ‘rank-and-file’ farmworkers, these differentials were greatly reduced by the value of non-cash benefits and services provided to farmworkers. This probably reflected a desire by farmers to avoid alienating certain workers and causing social division. The study noted that ‘this raises interesting questions about what might be the consequences of a move to a so-called ‘clean cash wage’ system, with all benefits monetized’.<sup>35</sup> [<sup>35</sup> *Ibid*] (See also *Agricultural remuneration* below.)

The study listed the following facilities provided to farmworkers in KwaZulu-Natal, and the proportion of farmworkers having access to them in 1996:<sup>36</sup> [<sup>36</sup> *Ibid*, p46]

***Facilities available to farm workers in KwaZulu-Natal: 1996***

*Facility*

## Proportion of farm workers with access to facility

Tap water

70–79%

**Toilets**

72%

Electricity

56–60%

### **Washing and bathing facilities**

57%

School: on the farm or nearby

40%

**Clinic**

35%

Church

31%

### **Shop: on the farm or nearby**

29%

Use of a telephone

27%

### **Sports facilities**

27%

A place to watch television

19%

**Shed or kraal**

15%

Post office

4%

The study noted that the provision of facilities and services on farms in KwaZulu-Natal was ‘moderately good’ even when compared with urban areas. It said that the 1996 census had found that, for example, only some 30% of Africans in South Africa had a supply of e

## **Informal Sector**

The informal sector was likely to grow in importance in the future, as it was a major source of income and employment for much of the population in South Africa, according to the South African Reserve Bank. The reserve bank said that since 1994 South Africa had experienced a number of ‘new developments which stimulated the informal economy’. These included the restructuring of both the public and the private sector, as well as an increase in international competition, which had resulted in job shedding. Many of those affected by these developments had entered the informal sector. The reserve bank added that the informal sector was estimated to account for some 7% of South Africa’s gross domestic product at market prices.<sup>38</sup> [38 SARB, *South Africa’s National Accounts, 1946–98*, June 1998, pp25–26]

The informal sector employed some 1.8m people, according to a study of employment and unemployment published by Statistics South Africa (Stats SA) in 1998 and based on its October Household Surveys. Stats SA defined the informal sector as enterprises which were unregistered and did not have a VAT number. They were generally very small, and rarely operated from business premises. The study based its figures on the preliminary data from the 1996 census. There were significant differences between the preliminary census data and the final 1996 census figures—figures are therefore not strictly comparable.

The study differentiated between employees working in the formal and informal sectors—previously, all employees had been included in the formal sector. The findings of this study provided a breakdown of domestic workers, the self-employed, employees and employers in the informal sector. However, the study excluded the mining sector ‘since a large proportion of miners live in hostels, which are difficult

to access.’

The table below provides a breakdown of employment in the informal sector by occupation.<sup>39</sup> [39 CSS, *Employment and Unemployment in South Africa, October Household Survey, 1994–97*, Statistical Release PO317.10, 13 August 1998]

***Informal sector by occupation: 1997***

Legislators, senior officials, and managers<sup>a</sup>

51 000

**Professionals**

23 000

Technicians and associate professionals

46 000

**Clerks**

28 000

Service workers, shop and market sales workers

129 000

**Skilled agricultural and fishery workers**

101 000

Craft and related trades workers

225 000

**Plant and machine operators and assemblers**

87 000

Elementary occupations

274 000

**Domestic workers**

778 000

Occupations unspecified

98 000

**Total**

1 840 000

*Source:* Statistics South Africa

a

Refers to managers of enterprises in the informal sector.

Informal sector workers were active in a variety of occupations, the most significant being domestic service, some 42% working in this capacity. Some 15% worked in 'elementary occupations', and 12% in craft and related trades occupations. Small proportions of people employed in the informal sector worked as managers (3%); as clerks (2%); and as professionals (1%).

The following table provides a breakdown of workers in the informal sector by race and manner of involvement in the infor

***Employment in the informal sector by race: 1997***

*Manner of involvement with the informal sector*

African

Coloured

Indian

White

**Total**

Working for someone else but employing people in the informal sector

480 000

95 000

12 000

36 000

**623 000**

Workers for own account

319 000

24 000

14 000

49 000

**405 000**

Persons involved in both the formal and the informal sector

16 000

1 000

2 000

2 000

**21 000**

Domestic workers

655 000

115 000

1 000

7 000

**778 000**

Unspecified

11 000

1 000

0

0

**12 000**

Total

1 481 000

235 000

29 000

93 000

1 840 000

*Source:* Statistics South Africa

The following table gives a breakdown of employment in the informal sector by

***Employment in the informal sector by sex: 1997***

*Manner of involvement with the informal sector*

Male

Female

**Total**

Working for someone else but employing people in the informal sector

433 000

189 000

**623 000**

Workers for own account

219 000

186 000

**405 000**

Persons involved in both the formal and the informal sector

14 000

7 000

**21 000**

Domestic workers

96 000

683 000

**778 000**

Unspecified



4 000

8 000

**12 000**

Total

766 000

1 073 000

1 840 000

*Source:* Statistics South Africa

The tables above show that the majority of informal sector workers (80%) were Africans, followed by coloured people (13%), whites (5%), and Indians (2%). The largest area of informal sector employment was domestic service (42%), which was heavily dominated by women, in particular by African and coloured women. A very small number of Indians and whites worked as domestic servants.

The table below provides a breakdown of workers in the informal sector by indu

***Informal sector by industry:<sup>a</sup> 1997****Industry*

Number

Agriculture, hunting, forestry, and fishing

182 000

**Manufacturing**

80 000

Electricity, gas, and water

6 000

**Construction**

102 000

Wholesale, retail trade, catering, and accommodation services

168 000

**Transport, storage, and communication**

56 000

Financing, insurance, real estate, and business services

41 000

**Community, social, and personal services**

830 000

Activities not adequately defined and other

373 000

**Total<sup>b</sup>**

1 840 000

*Source:* Statistics South Africa

a

Mining excluded.

b

Figures should add up but may not, owing to rounding.

The largest proportion of informal sector workers (45%) worked in community , social, and personal services, which included domestic workers. Significant proportions of informal sector workers were found in the agriculture, hunting, forestry, and fishing industry (10%); in wholesale, retail trade, catering, and accommodation (9%); and in construction (6%).

The following table shows the proportional contribution of the informal sector to employment by

***Contribution of the informal sector to overall employment by industry:<sup>a</sup> 1997***

*Industry*

Total number of workers in the formal and informal sector

Proportion of workers in the informal sector

**Agriculture, hunting, forestry, and fishing**

637 000

28.6%

Manufacturing

1 176 000

6.8%

**Electricity, gas, and water**

97 000

6.2%

Construction

370 000

27.6%

**Wholesale, retail trade, catering, and accommodation services**

1 083 000

15.5%

Transport, storage, and communication

384 000

14.6%

**Financing, insurance, real estate, and business services**

503 000

8.2%

Community, social, and personal services

1 647 000

50.4%

**Private households with employed persons**

753 000

N/A

Activities not adequately defined and other

899 000

41.5%

**Total<sup>b</sup>**

7 548 000

24.4%

*Source:* Statistics South Africa

a

Mining excluded.

b

Figures should add up but may not, owing to rounding.

N/A – Not applicable. This category does not exist in the f

The informal sector was a significant source of employment in many industries. More than half of those employed in community, social, and personal services were employed in the informal sector, as were 29% of those working in the agriculture, hunting, forestry, and fishing industry, and 28% of those working in the construction industry. Relatively small proportions of those working in three industries (manufacturing; electricity, gas, and water; and financing, insurance, real estate, and business services) were in the informal sector.

The following table shows the proportional contribution of the informal sector to employment by occupation:<sup>44</sup> [44 Ibid]

***Contribution of the informal sector to overall employment by occupation: 1997***

*Occupation*

Total number of workers in the formal and informal sectors

Proportion of workers in the informal sector

Legislators, senior officials, and managers

483 000

10.6%

**Professionals**

658 000

3.5%

Technicians and associate professionals

595 000

7.7%

**Clerks**

636 000

4.4%

Service workers, shop and market sales workers

762 000

16.9%

**Skilled agricultural and fishery workers**

237 000

42.6%

Craft and related trades workers

959 000

23.5%

**Plant and machine operators and assemblers**

653 000

13.3%

Elementary occupations

1 964 000

14.0%

## Occupations unspecified

602 000

16.3%

### **Total**

7 549 000

24.4%

*Source:* Statistics South Africa

Nearly a quarter of total employment was found in the informal sector. The informal sector made significant contributions to employment in a number of occupational categories: skilled agricultural and fishery workers (43%); craft and related trades workers (24%); and service workers, shop and market sales

## Rural Households

In June 1999 Statistics South Africa published a study of a large part of the rural population of South Africa. This study was the first of its kind in South Africa, and sought to ‘describe the rural economy and farming activities by which rural households earn a living’. The study examined households in the former ‘independent’ and non-independent homelands.<sup>45</sup> [<sup>45</sup> Stats SA, *Rural Survey 1997*, Statistical Release PO360, 17 June 1999, p11] Since information of this nature was previously unavailable, it has been included here at some length.

The table below shows the proportional distribution of after-tax income among the 2.4m rural households in the month preceding the survey.<sup>46</sup> [<sup>46</sup> Ibid]

### *Net income of rural households: 1997*

*Net income category*

Number of households

Proportion of households

None

53 333

2.3%

R1–R200

225 553

9.6%

R201–R400

468 108

19.9%

R401–R800

788 921

33.5%

R801–R1 500

587 792

24.9%

R1 501–R3 000

181 835

7.7%

R3 001–R6 000

44 017



1.9%
R6 001–R12 000
5 344
0.2%
R12 001 or more
243
0.0%
Unspecified
769
0.0%
<b>Total</b>
2 355 915
100.0%

*Source:* Statistics South Africa

The table below shows the most important sources of income for rural households, along with the number and proportion of households which relied primarily on each such source

***Most important sources of income for rural households: 1997***

*Source of income*

Number of households relying primarily on this source of income

Proportion of households relying primarily on this source of income

Salaries and wages from member/s of the household who actually live there

887 878

37.7%

Pensions (eg from state, disability grants)

736 285

31.3%

Remittances and allowances received from family members living elsewhere

502 878

21.3%

Farming activities

64 153

2.7%

Other

131 587

5.6%

Unspecified

33 134

1.4%

**Total**

2 355 915

100.0%

*Source:* Statistics South Africa

The graph below shows the most important sources of income for rural household

The largest proportion of rural households (38%) relied for their income primarily on wages and salaries from their non-migrant members. Some 31% relied on pensions and grants. Remittances from family members living elsewhere were the most important source of income for some 21% of rural households. Farming activities were the primary source of income for a relatively small proportion of rural households, 6%. However, the survey found that 1.7m rural households (70% of the total) carried out some farming activity.<sup>48</sup> [<sup>48</sup> Ibid]

The table below provides a breakdown of the economically active population (EAP) among rural households by sex.<sup>49</sup> [<sup>49</sup> Ibid]

***Economically active population among rural households by sex: 1997***

*Male*

Number of employed

1 007 372

Number of unemployed

603 998

**Total**

1 611 370

*Female*

Number of employed

1 239 109

Number of unemployed

801 390

**Total**

2 040 499

*Total EAP*

Number of employed

2 246 482

Number of unemployed

1 405 388

**Total**

3 651 870

*Source:* Statistics So

A substantial majority of the EAP among rural households (56%) was female. The table below shows the unemployment rate among rural households by sex in 1997.<sup>50</sup> [50 Ibid]

***Unemployment rate among rural households by sex: 1997***

Male

37.5%

Female

39.3%

**Total**

38.5%

*Source:* Statistics South Africa

Some 1.7m (70%) of the 2.4m households in the survey had access to land for farming.<sup>51</sup> [<sup>51</sup> Ibid] The table below provides a breakdown of the methods by which these households gained access to this land

*Methods of gaining access to land for farming: 1997*

*Method*

Number of households

Proportion of households<sup>a</sup>

**Tribal authority land was inherited by a member of the household**

131 529

7.8%

Private land was inherited by a member of the household

42 141

2.5%

**Land was purchased by a member of the household**

15 400

0.9%

Land was rented or leased from a private owner

12 548

0.0%

**Land was allocated by a tribal authority**

1 187 107

70.6%

Land was allocated by the state

29 662

1.8%

**Land was owned by an employer of a member of the household**

6 544

0.4%

Land was occupied informally

14 196

0.8%

**Other**

8 753

0.5%

Unspecified

232 580

13.8%

**Total**

1 680 460

100.0%

*Source:* Statistics South Africa

Figures should add up but may not, owing to rounding.

The allocation of land by a tribal authority was by a considerable margin the most common method by which rural households gained access to land for farming, followed by the inheritance of tribal land. Private land ownership, whether by purchase or inheritance, was not a common method of gaining access to land—fewer than 4% of rural households acquired land for farming in this way. The table below shows the reasons why rural households were engaged

***Reasons for farming: 1997***

*Reasons*

Number of households

Proportion of households<sup>a</sup>

To produce enough food for the household to eat

1 531 144

92.6%

To earn a living by selling farm produce

88 757

5.4%

Other

27 417

1.7%

Unspecified

6 981

0.4%

**Total**

1 654 299

100.0%

*Source:* Statistics South Africa

a

Figures should add up but may not, owing to roun

The overwhelming majority of rural households engaged in farming did so to produce food for their own consumption, rather than to sell or to trade. The survey also found that of the 1.7m households that farmed, some 28% had experienced crop failure on some or all of their land in the preceding year.<sup>54</sup> [<sup>54</sup> Ibid]

The survey found that of those households occupying land for farming purposes, some 56% had access to land for animal grazing, while some 55% of rural households engaged in farming had some livestock (excluding chickens). Some 33% of rural households which farmed produced animal products such as eggs, milk, and wool.<sup>55</sup> [<sup>55</sup> Ibid]

About 75% of rural households engaged in farming grew farm produce such as maize and sorghum. The survey found that only 5.9% of households which farmed sold any fresh farm produce.<sup>56</sup> [<sup>56</sup> Ibid]

The following table provides a breakdown of farm produce grown over the 12 months preceding the survey:<sup>57</sup> [<sup>57</sup> Ibid]

***Farm produce grown by rural households engaged in farming:<sup>a</sup> 1997***

*Farm produce*

Number of households growing farm produce

Proportion of households growing farm produce

**Maize**

1 143 493

92.3%



Fruit

262 018

21.1%

**Potatoes**

159 208

12.8%

Ground nuts

110 294

8.9%

**Amadube**

67 189

5.5%

Tomatoes

66 393

5.4%

**Onions**

57 826

4.7%

Sugar cane

27 646

2.2%

**Sorghum**

23 649

1.9%

**Green beans**

18 152

1.5%

**Pumpkin**

16 012

1.3%

**Spinach**

14 370

1.2%

**Dried beans**

10 381

0.8%

**Sunflowers**

7 684

0.6%

**Cabbage**

7 700

0.6%

Wheat

6 119

0.5%

**Total<sup>b</sup>**

1 239 264

—

*Source:* Statistics South Africa

a

Table excludes produce grown by fewer than 0.5% of households, such as cotton, flowers, and tea.

b

Figures and percentages do not add up to the totals shown, since one household may produce more than one product. Total refers to the total number of households growing farm produce

Maize was the most commonly cultivated farm product (grown by 92% of households), followed by fruit (21%), and potatoes (13%).

The survey found that of those households occupying land for farming purposes, some 56% had access to land for animal grazing.<sup>58</sup> [<sup>58</sup> Ibid] The survey found that 902 156 households, some 55% of rural households, engaged in farming, and owned livestock (excluding chickens). The table below provides a breakdown of the type of livestock owned by

***Type of livestock owned by rural households: 1997***

*Type of animal*

Number of households owning livestock

## Proportion of households owning livestock

Milk cows

274 840

30.5%

Other cattle

482 027

53.4%

Sheep and lambs

180 294

20.0%

Goats and kids

543 337

60.2%

Pigs

266 291

29.5%

Horse/donkey/mule

93 616

10.4%

Other livestock

9 652

1.1%

*Source:* Statistics South Africa

Some 33% of rural households which farmed produced animal products such as eggs, milk, and wool.<sup>60</sup>  
 [<sup>60</sup> Ibid]

Among those households engaged in farming, some 77% used equipment (ranging from tractors to hand-held implements). The following table indicates what equipment was used by these house

***Equipment used by rural households engaged in farming: 1997***

*Type of equipment*

Number of households using the equipment

Proportion of households using the equipment

Hand-held implements

877 154

69.1%

**Tractor**

640 249

50.4%

Animal-drawn cart

201 377

15.9%

**Plough/mower**

161 597

12.7%

Hand-drawn carts

95 708

7.5%

**Trailer**

22 376

1.8%

Harvester

12 123

1.0%

**Bakkie/truck**

7 651

0.6%

Pumps and irrigation equipment

6 415

0.5%

**Milking machines**

1 063

0.1%

Other

23 187

1.8%

**Total<sup>a</sup>**

1 270 145

—

*Source:* Statistics South Africa

a

Figures and percentages do not add up to the totals shown, since one household may use more than one piece of equipment. Total refers to the total number of households using equipment.

The table below provides a breakdown of the types of employment offered by rural households engaged in farming

***Employment in rural households engaged in farming: 1997***

*Type of employment*

Number of households

Proportion of rural households

None

580 237

35.1%

Unpaid family members

873 520

52.7%

Workers (not family members) who were paid in kind

162 839

9.8%

Workers who lived and grew produce on a portion of the land

13 706

0.8%

Paid workers in regular employment

35 467

2.1%

Paid workers in casual or seasonal employment

86 920

5.3%

**Total<sup>a</sup>**

1 654 299

—

*Source:* Statistics South Africa

a

Figures and percentages do not add up to the totals shown, since one household may use more than one type of employee. Total refers to the total number of households using employees.

The table below shows the findings of the survey in respect of the type of assistance most needed by households engaged in f



***Farming assistance needed by rural households engaged in farming: 1997***

*Type of assistance*

Number of households most needing such assistance

Proportion of households most needing such assistance

Training

261 601

15.8%

Access to more land

391 840

23.7%

Access to finance

465 370

28.1%

Access to water

520 257

31.4%

Unspecified

15 231

0.9%

**Total<sup>a</sup>**

1 654 299

100.0%

*Source:* Statistics South Africa

a

Figures should add up but may not, owing to rounding.

The most widely needed type of assistance among households engaged in farming was access to water (31%), followed by access to finance (28%). A substantial proportion of households engaged in farming wanted assistance in gaining more land (24%), while training was viewed as relatively unimportant, and was most needed by only 16% of such households.

Only some 10% of rural households involved in farming activities had been in contact with an agricultural extension officer in the 12 months preceding the survey. Approximately 4% of rural households involved in farming had received support from a source outside of government (such as a non-governmental organisation) in the 12 months preceding the survey. Of all households engaged in farming activities, only 0.1% had made an application for a loan for farm

## Outsourcing

A survey conducted in September 1998 by Andrew Levy and Associates, a labour consultancy, found that 68.3% of companies had outsourced in the past five years, more than three quarters of these having done so on more than one occasion. The employees affected by outsourcing were overwhelmingly 'blue-collar' workers (91%). The survey found that the reasons for outsourcing were economic (41%), control (37%), restructuring (17%), and new technology (4%). Other reasons included the effect of labour legislation, a lack of skills, and a lack of capital to purchase new vehicles. Outsourcing was most prominent in the chemical, food, and manufacturing industries. Some 28% of companies provided assistance, such as separation packages (lump-sum payments to retrenched workers), to employees who were retrenched as a result of outsourcing. Some 41% of companies said that retrenched employees had been absorbed by the outsourcing company. Andrew Levy and Associates said that it anticipated that outsourcing would continue in the foreseeable future.<sup>65</sup> [65 Andrew Levy and Associates, *The Wage Settlement Survey*, March 1999]

## Immigrants and Emigrants

*Emigration refers to self-declared status and does not include South African citizens who leave permanently under the pretext of temporary visits. Immigration refers to legal applications by people who enter and reside permanently in the country and therefore excludes illegal immigration.*

The table below gives a breakdown of immigration to and emigration from South Africa by occupational classification in 1997 and 1998 (the latest figures available).<sup>66</sup> [66 Stats SA, *Tourism and migration (from all ports of entry)*, Statistical Release PO351, 15 July 1999]

***Immigration and emigration by occupation: 1997 and 1998***

Immigrants

Emigrants

Occupation

1997

1998

1997

1998

Professional, semi-professional, and technical occupations<sup>a</sup>

551

449

1 924

1 796

Managerial, executive, and administrative occupations

321

424

762

736

## Clerical and sales occupations

64

48

877

808

## Transport, delivery, and communications occupations

19

8

34

37

## Service occupations

43

27

99

101

## Farming and related occupations

2

0

29

29

Artisans, apprentices, and related occupations

93

52

327

306

Production foreman and supervisor, miner and quarry worker, operator, production, and related worker

31

17

31

18

Occupation unspecified and nec<sup>b</sup>

424

895

824

861

**Total — economically active**

1 548

1 920

4

*Immigration and emigration by occupation: 1997 and 1998 (continued)*

Immigrants

Emigrants

Occupation

1997

1998

1997

1998

Housekeeping

1 411

1 101

1 049

888

Child (not pupil)

206

246

686

704

Pupil/student

692

888

1 787

1643

Labour disabled

0

0

0

3

Pensioner

167

176

459

324

Not economically active nec<sup>b</sup>

79

40

58

21

**Total — not economically active**

2 555

2 451

4 039

3583

Grand total

4 103

4371

8 946

8 726

*Source:* Statistics South Africa

a

Includes engineers and related technologists, medical practitioners, medical specialists, dental professionals, education workers, and accountants and related occupations (see table below).

b

Not elsewhere classified.

The table below gives a breakdown of immigration and emigration by prof

***Immigration and emigration of professionals: 1997 and 1998***

Immigrants

Emigrants

Occupation

1997

1998

1997



1998

**Engineers and related technologists**

95

77

372

337

Industrial/production

30

31

32

21

**Chemical**

7

5

6

8

Electrical and related

17

9

11

1

## **Agricultural**

0

0

1

1

## **Mechanical**

7

10

0

6

## **Metallurgical**

1

1

0

2

## **Mining**

4

2

0

0

**Civil and related**

7

19

19

208

Engineers nec<sup>a</sup>

22

0

303

278

**Medical practitioner**

36

3

60

77

Medical specialist

4

25

22

17

**Dental professions**

2

0

50

13

Education and related occupations

115

79

320

250

**Accountant and related accounting occupations**

24

30

251

228

Other

275

235

849

874

**Total**

551

449

1 924

1796

*Source:* Statistics South Africa

a

Not els

Net emigration was noticeable in all areas: economically active people, non-economically active people, and professionals. South Africa had a net loss of 4 843 people in 1997, with a net loss of 3 359 economically active people in that year. A net loss of 1 373 professionals occurred in 1997. However, there was a small decline in the number of people emigrating in 1998, compared to the previous year. There was also a small increase in the number of economically active people immigrating to the country in 1998, compared to 1997. (See also chapter on *Population*.)

## **Migrant Workers**

No new information on this section of the workforce became available during the period under review.

## **Illegal Workers**

No new information became available on illegal workers during the period under review.

## **Productivity**

The executive director of the National Productivity Institute (NPI), Dr Jan Visser, said in November 1998 that South Africa's labour productivity was 'satisfactory', but that too few people were working. South Africa's gross domestic product per worker was \$16 000, which was 5.3 times higher than that of the Philippines, 6.8 times that of Indonesia, and 14.7 times that of China, Dr Visser said.<sup>68</sup> [<sup>68</sup> *The Citizen* 13 November 1998]

The following table shows the change in multifactor productivity of the main economic sectors from 1992 to 1997, as calculated by the NPI.<sup>69</sup> [<sup>69</sup> National Productivity Institute, *Productivity Statistics 1998*, November 1998]

***Increase/(decrease) in multifactor<sup>a</sup> productivity: 1992–97***

1992

1993

1994

1995

1996

1997

**Agriculture, forestry, and fishing**

(25.8%)

26.5%

13.3%

(14.4%)

28.7%

0.8%

**Mining and quarrying**

5.9%

5.8%

(1.3%)

(1.3%)

0.6%

3.8%

Manufacturing

(2.9%)

(1.8%)

1.2%

4.7%

(2.8%)

3.0%

**Electricity, gas, and water**

4.2%

7.9%

(8.4%)

4.5%

4.2%

4.8%

Construction

(2.3%)

(3.3%)

(0.7%)

3.5%

9.4%

3.7%

**Wholesale and retail trade, catering, and accommodation**

(2.2%)

1.2%

5.9%

4.2%

2.6%

1.3%

**Transport, storage, and communication**

3.9%

6.9%

8.7%

4.2%

3.5%

4.4%

**Finance, insurance, real estate, and business service**

(2.2%)

(0.1%)

2.6%

1.7%



1.4%

(1.7%)

Private economy<sup>b</sup>

(1.9%)

2.8%

3.5%

2.6%

2.8%

2.1%

**Private economy excluding agriculture**

(0.1%)

1.6%

3.1%

3.6%

1.5%

2.3%

Goods producing sector<sup>c</sup>

(3.0%)

3.5%

2.6%

1.7%

2.9%

3.3%

**Goods producing sector excluding agriculture**

0.3%

1.5%

1.4%

3.6%

0.3%

4.3%

Services<sup>d</sup>

(0.8%)

1.8%

5.4%

3.4%

2.4%

(0.2%)

*Source:* National Productivity Institute

a

A measure of improvement in the quality of all factor inputs and how they are used. Includes technical progress, improvement in the workforce, improvement in management practices, and economies of scale.

b

Private economy includes agriculture, commerce, communications, construction, electricity, finance, manufacturing, mining, and transport. Community services and the government sector are excluded.

c

Includes agriculture, construction, electricity, manufacturing, and mining.

d

Includes commerce, communications, finance

Growth in productivity in the manufacturing sector during 1997 was ‘paticularly conspicuous’ when compared with the overall non-agricultural sectors, according to the South African Reserve Bank. The reserve bank attributed this to:<sup>70</sup> [70 SARB, annual report 1998]

- the rationalisation of work practices, which resulted in lower employment growth relative to output growth;
- calm industrial relations, with relatively few workdays lost through industrial action;
- an emphasis on core activities and specialisation by manufacturers;
- an increase in the development of human resources, such as in-work training; and
- the replacement of labour-intensive methods of production with ‘tecnically improved equipment’.

The following table shows the change in total employment, remuneration per worker at constant prices, and labour productivity from 1994 to 1998 in the non-agricultural, non-domestic sector of the economy (brackets indicate a decrease):<sup>71</sup> [71 SARB, *Quarterly Bulletin*, June 1999]

***Change in total employment, real remuneration per worker, and labour productivity in the non-agricultural, non-domestic sector:<sup>a</sup> 1994–98***

*Year*

Total employment

## Real remuneration per worker

### Labour productivity

1994

(0.4%)

4.8%

3.2%

1995

(1.1%)

1.7%

5.3%

1996

(0.7%)

2.7%

4.0%

1997

(1.7%)

2.4%

4.2%

1998

(4.2%)

7.4%

5.1%

*Source:* South African Reserve Bank

a

Private and public sector included.

(See also chapter on *The E*

The bar chart below illustrates trends in respect of employment, real remuneration, and labour productivity from 1994 to 1998.

Since 1994, total employment in the non-agricultural, non-domestic sector of the economy fell consistently, while labour productivity rose noticeably (in 1995 and 1998 by 5.3% and 5.1% respectively). There was also an increase in real remuneration per worker, ranging from 1.7% in 1994, to 7.8% in 1998.

## **Skill Shortages and Losses**

### **Shortages**

South Africa had a skill profile that was ‘totally out of sync with the needs of our country’, according to Mr Siphon Pityana, the director general of labour. He said that from 1973 to 1993, the proportion of ‘highly skilled’ jobs (those which required a post-matric qualification) rose from 10% to 18%, and that of ‘skilled’ jobs from 29% to 34%. ‘Semi-skilled’ and ‘unskilled’ jobs dropped as a proportion of the total from 61% to 48% over the same period. Mr Pityana added that only some 3m people, or 20% of South Africa’s economically active population, were highly skilled or skilled, while the remainder were semi-skilled, unskilled, or unemployed. Professionals constituted some 4% of the South African labour force, as opposed to 8% of the labour force in other middle-income countries.<sup>72</sup> [72 *The Star Business Report* 21 August 1998]

A shortage of skilled employees in the public service was hampering the government’s ability to provide social services, the minister of labour, Mr Membathisi Mdladlana, said in October 1998. He said that the lack of skills was a more severe problem for service provision than limited finances. He added that ‘it seems that our world is only beginning to understand just how central knowledge and skills are to economic and social performance’.<sup>73</sup> [73 *Business Day* 6 October 1998]

The acute lack of skills in certain areas would harm the South African economy's ability to sustain economic growth and create jobs, according to Mr Martin Westcott, managing director of PE Corporate Services. South Africa had a shortage of between 300 000 and 500 000 managers, and there had been a significant decline in the number of people training to become technical workers, as well as in engineering and in the sciences. He said that emigration—which was not limited to white people—was contributing to the skill shortage.<sup>74</sup> [<sup>74</sup> *Sunday Times Business Times* 22 March 1998]

## Losses

South Africa experienced a net loss of 4 843 people during 1997, and 4 355 in 1998, according to Statistics South Africa. In 1998, 54% of those who emigrated were economically active.<sup>75</sup> [<sup>75</sup> Stats SA, *Tourism and migration (from all ports of entry)*, Statistical Release PO351, 15 July 1999] (See *Immigrants and emigrants* above.)

In June 1998 Mr Ronnie Mamoepa, a spokesman for the African National Congress (ANC), said that although 'a few whites' had emigrated since 1994, South Africa had experienced a 'brain gain' over this period as a result of skilled people and intellectuals who had returned to the country.<sup>76</sup> [<sup>76</sup> *The Citizen* 21 June 1998]

Some 48% of information technology (IT) professionals—a term denoting a range of positions including programmers, systems engineers, and marketing personnel—were considering leaving South Africa in the next two years, according to a survey conducted by an online news service, *IT Web*. Political instability and crime were the most frequently cited reasons for this.<sup>77</sup> [<sup>77</sup> *Business Day* 10 March 1999] In March 1999 Ms Jill Hamlyn, managing director of an IT recruiting firm, the People Business, said that while South Africa had experienced an outflow of IT professionals, there were indications that they were beginning to 'trickle' back to the country. The firm had a shortage of jobs in which to place the highly skilled, qualified, returning emigrés who were listed on their books.<sup>78</sup> [<sup>78</sup> *The Citizen* 9 March 1999]

Some 83% of companies questioned indicated that they expected a shortage of specialised staff in the coming year, according to a March 1999 survey by FSA-Contact, a human resource consultancy. Some 10% of employees in the 'key specialist and manager segment' who had left their jobs, had done so to emigrate. Crime and declining standards of education, health, and living in general were the most significant reasons for emigrating. The IT sector was described as the most 'volatile', while chartered accountants who were seconded to positions overseas often tended to stay there.<sup>79</sup> [<sup>79</sup> *The Star Business Report* 16 March 1999]

The South African Institute of Chartered Accountants said in November 1998 that of the 17 591 chartered accountants who belonged to it, a total of 3 297 (19%) were 'absentee members', that is, they lived and worked abroad. The institute could not say whether these 'absentee members' had emigrated permanently, or whether they intended to return to South Africa.<sup>80</sup> [<sup>80</sup> *Business Day* 19 November 1998]

## Race, Sex, and Disability in the Workplace

During the period under review the demographic composition of workplaces remained a controversial issue, especially in light of the passage of the Employment Equity Act of 1998, which required ‘designated’ employers to implement programmes of affirmative action. (See *Employment Equity Act of 1998* above. See also chapter on *Business*.)

### Public Sector

A *White Paper on Affirmative Action in the Public Service*, published in April 1998, set out guidelines for the implementation of affirmative action in the public service. Affirmative action targets, which the government had previously announced, were to be considered ‘minimum national targets’, which would be reviewed by the end of 2000, and every three years thereafter. The government planned by 1999 to have 50% of management positions occupied by black people and 30% by women, as well as 2% by disabled people.<sup>81</sup> [<sup>81</sup> Ibid 28, 29 April 1999]

According to reports in *Beeld* and *Die Burger* in December 1998, a confidential document from the Department of Public Service and Administration said that the government’s targets for affirmative action in the public service had almost been reached. The document said that whereas more than 44% of all posts in the public service had been occupied by whites at the end of 1994, by the end of January 1998, some 19% of posts were occupied by whites. This represented a drop of some eight percentage points a year over three years. It was estimated that if this tendency continued, whites would comprise 11% of the civil service by the end of January 1999—this would be only marginally higher than the findings of the 1996 census that whites comprised some 10.9% of the population. Professor Luther Bacher of the Rand Afrikaans University said that once affirmative action targets had been reached, further affirmative action could violate the constitution. The report also stated that at the end of January 1998, some 56% of top management in the public service (such as directors general) were black,<sup>82</sup> [<sup>82</sup> *Beeld* 4 December 1998] as were 42% of other management (such as directors).<sup>83</sup> [<sup>83</sup> *Die Burger* 4 December 1998]

The following table provides a breakdown by race and sex of public service employees in 1998:<sup>84</sup> [<sup>84</sup> Department of Public Service and Administration, *Exchequer Report*, 1998]

#### ***Total public service employment by race and sex: 31st December 1998***

Male

Female

Total

Race

Number

Proportion of total

Number

Proportion of total

Number

Proportion of total

African

389 581

35.4%

383 229

34.8%

772 810

70.2%

Coloured

43 182

3.9%

50 840

4.6%

94 022

8.5%



**Indian**

22 857

2.1%

16 113

1.5%

38 970

3.5%

**White**

91 701

8.3%

103 281

9.4%

194 982

17.7%

**Total**

547 321

49.7%

553 463

50.3%

1 100 784

100.0%

*Source:* Department of Public Service and Administration

The bar chart below shows the breakdown of the public service by race and sex

The demographic composition of the public service approximated that of the general population, although the proportion of whites employed in the public service (18%) exceeded the proportion of whites in the economically active population (14%).

### ***Telkom***

In 1994, 46% of Telkom's workforce was black and 54% white. In 1998, 56% of Telkom's workforce was black and 44% white. Recruitment to Telkom had changed significantly between the 1993 calendar year and the 1997/98 financial year. In 1993, 38% of staff recruited were black, and 62% white. The following year, 65% of recruits were black, and 35% white. In 1997/98, 71% of recruits were black, and 29% white.<sup>85</sup> [<sup>85</sup> Telkom, annual report 1997/98, pp32–33]

The pie charts below illustrate trends in recruitment at Telkom.

### ***Eskom***

At the end of 1997 some 32% of Eskom's management, professional, and supervisory staff were black.<sup>86</sup> [<sup>86</sup> Eskom, annual report 1997, p27]

### ***South African Broadcasting Corporation***

In 1993 the ratio of black to white staff at the South African Broadcasting Corporation (SABC) was 27:73. By late 1997 the SABC's staff was about 50% black and 50% white. The SABC's annual report for 1997/98 said that this was 'something to be proud of'.<sup>87</sup> [<sup>87</sup> SABC, annual report and financial statements 1997/98, p64]

### ***Private Sector***

In 1993 some 58% of companies were implementing affirmative action programmes; this had risen to 95% by 1998, according to a survey conducted by FSA-Contact, a human resource consultancy. The proportion of senior management positions held by black people increased from 5% in 1995 to 12% in 1998, and was expected to reach 21% by 2001. The proportion of middle management positions held by black people increased from 10% to 21% over the same period, and was projected to reach 29% by

2001. The proportion of middle management positions held by whites declined from 79% in 1995 to 61% in 1998. Some 69% of the organisations canvassed said that they had experienced resistance to affirmative action programmes by white employees. FSA-Contact said that most companies were fulfilling their affirmative action requirements by means of training and understudy programmes which sought to prepare promising black employees for promotion to managerial positions. White employees were unlikely to be retrenched to make way for blacks, but they would find it difficult to secure promotions. The survey also found that affirmative action in favour of women and disabled people was 'negligible'.<sup>88</sup> [<sup>88</sup> *Business Day* 25 November 1998]

The Employment Equity Act of 1998 compelled companies to draw up and implement plans for affirmative action which would apply to black people, women, and the disabled.

## Wages and Incomes

### Wages

#### ***Overall Remuneration Trends***

The table below provides an indication of the change in remuneration per worker at constant prices from 1994 to 1998, according to the South African Reserve Bank (brackets denote a decrease).<sup>89</sup> [<sup>89</sup> South African Reserve Bank, *Quarterly Bulletin*, June 1999]

#### ***Change in remuneration per worker at constant prices: 1994–98***

*Year*

Public sector

Private sector

Total

1994

10.6%

0.6%

4.8%

1995

4.0%

0.9%

1.7%

1996

1.6%

2.3%

2.7%

1997

2.6%

1.9%

2.4%

1998

3.8%

9.6%

7.4%

*Source:* South African Reserve

The South African Reserve Bank said that above-inflation increases in remuneration could be attributed to the following factors:<sup>90</sup> [<sup>90</sup> SARB, annual report 1998]

- retrenching less-skilled and lower-earning employees;
- increasing skill shortages in some areas of the labour market; and

- the ‘relatively healthy’ growth in corporate earnings.

## ***Agricultural Remuneration***

The table below shows the per capita remuneration of regular agricultural employees, by race and province, between 1994 and 1996.<sup>91</sup> [<sup>91</sup> Stats SA, *Agricultural surveys 1994–96*, Statistical Release, P1101, 4 February 1999]

### ***Per capita annual agricultural income for regular employees, by race and province: 1994–96<sup>a</sup>***

——*African*——

——*Coloured*——

Province

1994

1995

1996

1994

1995

1996

Eastern Cape

4 448

5 356

7 140

4 933

5 889

6 622

Free State

4 876

5 593

5 830

4 593

6 216

6 942

Gauteng

6 658

8 337

8 586

6 833

46 667

58 000

KwaZulu-Natal

7 062

11 714

10 445

15 000

18 516

14 776

## Mpumalanga

4 813

5 853

6 199

13 588

12 244

14 541

## North West

4 532

5 496

6 351

5 214

7 504

7 646

## Northern Cape

4 494

5 313

5 346

5 662

6 527

7 343

Northern Province

4 024

4 428

5 160

11 357

414

23 560

Western Cape

6 695

7 885

8 557

6 959

7 970

8 389

**Total<sup>b</sup>**

5 214

7 079

7 192



6 614

7

*Per capita annual agricultural income for regular employees by race and province: 1994–96<sup>a</sup> (continued)*

——*Indian*——

——*White*——

Province

1994

1995

1996

1994

1995

1996

Eastern Cape

N/A

N/A

N/A

35 330

38 349

46 886

Free State

N/A

N/A

1 200

41 173

44 299

47 551

Gauteng

58 143

56 385

52 000

49 541

57 517

59 453

KwaZulu-Natal

20 674

21 299

24 227

57 195

56 233

59 726

Mpumalanga

78 333

21 529

8 385

58 999

59 587

64 114

North West

14 590

21 682

20 700

39 495

36 767

51 640

Northern Cape

4 500

8 333

N/A

43 496

38 466

37 379

## Northern Province

N/A

N/A

1 000

50 505

55 625

49 918

## Western Cape

N/A

N/A

N/A

46 366

54 823

58 846

## **Total<sup>b</sup>**

20 872

21 458

23 411

48 363

51 249

55 243

Source: Statistics South Africa

a

Includes wages, salaries, and other remuneration, such as payments in kind, and contributions to pension, medical, and other funds.

b

As calculated by the South African Institute of Race Relations.

N/A – Not applicable. No people from this group were employed in t

### **Wage Determinations**

See chapter on *Industrial Relations*.

### **Income Levels**

#### **Income Categories**

Some 60% of the employed received incomes of R1 500 or less a month in 1996, according to the 1996 census. The following table shows individual monthly income among the employed in 1996:<sup>92</sup> [<sup>92</sup> Stats SA, *Population Census 1996*]

#### **Individual monthly income of the employed: 1996<sup>a</sup>**

*Income category*

Number of people

Proportion of total

None<sup>b</sup>

103 354

1.1%

**R1–R200**

731 729

8.0%

**R201–R500**

1 445 441

15.9%

**R501–R1 000**

1 637 326

18.0%

**R1 001–R1 500**

1 537 026

16.9%

**R1 501–R2 500**

1 190 508

13.1%

**R2 501–R3 500**

711 013

7.8%

**R3 501–R4 500**

468 158

5.1%

R4 501–R6 000

398 666

4.4%

**R6 001–R8 000**

224 111

2.5%

R8 001–R11 000

153 021

1.7%

**R11 001–R16 000**

91 026

1.0%

R16 001–R30 000

53 712

0.6%

**R30 001 or more**

21 221

0.2%

Unspecified

347 533

3.8%

**Total**

9 113 847

100.0%

*Source:* Statistics South Africa

a

Excluding institutions. Institutions are communal temporary, semi-permanent, or living arrangements for people in special circumstances, such as prisons, and homes for the disabled.

b

Includes people working for family businesses and people receiving payment in kind.

c

Figures should add up but may not,

***Income by Province***

The table below provides a provincial breakdown of individual monthly income among the employed in 1996.<sup>93</sup> [<sup>93</sup> Ibid]

***Individual monthly income by province: 1996<sup>a</sup>***

Eastern Cape

Free State

Gauteng

KwaZulu-  
Natal

Mpumalanga



None<sup>b</sup>

12 562

6 815

22 829

20 655

7 087

R1–R200

88 748

120 459

94 438

123 918

68 958

R201–R500

139 093

133 285

261 406

272 529

132 732

R501–R1 000

139 298

131 152

446 066

278 924

119 333

R1 001–R1 500

117 556

114 104

475 290

253 291

85 769

R1 501–R2 500

99 558

67 548

374 680

209 122

61 914

R2 501–R3 500

61 422

40 004

228 649

123 130

36 385

R3 501–R4 500

39 537

26 700

159 607

78 626

23 783

R4 501–R6 000

30 734

22 324

144 152

67 816

20 479

R6 001–R8 000

15 486

11 408

89 132

37 123

11 391

R8 001–R11 000

9 595

7 188

66 008

24 368

7 017

R11 001–R16 000

5 077

3 474

43 590

13 171

3 639

R16 001–R30 000

2 728

1 771

27 274

7 238

1 796

R30 001 or more

1 264

903

9 773

2 751

830

Unspecified

24 159

14 039

121 348

57 912

24 812

**Total<sup>c</sup>**

786 818

701 175

2 564 243

1 5

*Individual monthly income by province: 1996<sup>a</sup> (continued)*

North West

Northern Cape

Northern Province

Western Cape

South Africa

None<sup>b</sup>

9 590

1 926

10 510

11 381

103 354

R1–R200

74 930

29 101

87 462

43 714

731 729

R201–R500

131 750

57 388

132 078

185 180

1 445 441

R501–R1 000

144 153

33 810

88 115

256 474

1 637 326

R1 001–R1 500

137 136

26 398

76 169

251 312

1 537 026

R1 501–R2 500

92 223

21 957

61 145

202 360

1 190 508

R2 501–R3 500

47 934

13 434

43 114

116 941

711 013

R3 501–R4 500

27 929

9 384

24 793

77 800

468 158

R4 501–R6 000

19 710

8 130

16 944

68 377

398 666

R6 001–R8 000

9 765

4 190

7 181

38 435

224 111

R8 001–R11 000



5 692

2 358

4 168

26 628

153 021

R11 001–R16 000

2 909

1 239

2 096

15 832

91 026

R16 001–R30 000

1 574

764

1 079

9 488

53 712

R30 001 or more

738

417

595

3 950

21 221

Unspecified

19 254

5 028

14 679

66 301

347 533

**Total<sup>c</sup>**

725 287

215 523

570 129

1 374 174

9 113 847

*Source:* Statistics South Africa

a

Excluding institutions. Institutions are communal temporary, semi-permanent, or living arrangements for people in special circumstances, such as prisons, and homes for the disabled.

b

Includes people working for family businesses and people receiving payment in kind.

Figures should add up but may not, owing to rounding.

The table below provides a proportional breakdown of individual monthly income among the employed

***Proportional distribution of individual monthly income by province: 1996<sup>a</sup>***

Eastern Cape

Free State

Gauteng

KwaZulu-Natal

Mpumalanga

None<sup>b</sup>

1.6%

1.0%

0.9%

1.3%

1.2%

R1–R200

11.3%

17.2%

3.7%

7.9%

11.4%

R201–R500

17.7%

19.0%

10.2%

17.4%

21.9%

R501–R1 000

17.7%

18.7%

17.4%

17.8%

19.7%

R1 001–R1 500

14.9%

16.3%

18.5%

16.1%

14.2%

R1 501–R2 500

12.7%

9.6%

14.6%

13.3%

10.2%

R2 501–R3 500

7.8%

5.7%

8.9%

7.8%

6.0%

R3 501–R4 500

5.0%

3.8%

6.2%

5.0%

3.9%

R4 501–R6 000

3.9%

3.2%

5.6%

4.3%

3.4%

R6 001–R8 000

2.0%

1.6%

3.5%

2.4%

1.9%

R8 001–R11 000

1.2%

1.0%

2.5%

1.6%

1.2%

R11 001–R16 000

0.6%

0.5%

1.7%

0.8%

0.6%

R16 001–R30 000

0.3%

0.3%

1.1%

0.5%

0.3%

R30 001 or more

0.2%

0.1%

0.4%

0.2%

0.1%

Unspecified

3.1%

2.0%

4.7%

3.7%

4.1%

**Total<sup>c</sup>**

100.0%

100.0%

100.0%

*Proportional distribution of individual monthly income by province: 1996<sup>a</sup> (continued)*

North West

Northern Cape

Northern Province

Western Cape

*South Africa*

None<sup>b</sup>

1.3%

0.9%

1.8%

0.8%

**1.1%**

R1–R200

10.3%

13.5%

15.3%

3.2%

**8.0%**

R201–R500



18.2%

26.6%

23.2%

13.5%

**15.9%**

R501–R1 000

19.9%

15.7%

15.5%

18.7%

**18.0%**

R1 001–R1 500

18.9%

12.2%

13.4%

18.3%

**16.9%**

R1 501–R2 500

12.7%

10.2%

10.7%

14.7%

**13.1%**

R2 501–R3 500

6.6%

6.2%

7.6%

8.5%

**7.8%**

R3 501–R4 500

3.9%

4.4%

4.3%

5.9%

**5.1%**

R4 501–R6 000

2.7%

3.8%

3.0%

5.0%

**4.4%**

R6 001–R8 000

1.3%

1.9%

1.3%

2.8%

**2.5%**

R8 001–R11 000

0.8%

1.1%

0.7%

1.9%

**1.7%**

R11 001–R16 000

0.4%

0.6%

0.4%

1.2%

**1.0%**

R16 001–R30 000

0.2%

0.4%

0.2%

0.7%

**0.6%**

R30 001 or more

0.1%

0.2%

0.1%

0.3%

**0.2%**

Unspecified

2.7%

2.3%

2.6%

4.8%

**3.8%**

Total<sup>c</sup>

100.0%

100.0%

100.0%

100.0%

100.0%

*Source:* Statistics South Africa

a

Excluding institutions. Institutions are communal temporary, semi-permanent, or living arrangements for people in special circumstances, such as prisons, and homes for the disabled.

b

Includes people working for family businesses and people receiving payment in kind.

c

Figures should add up but may not,

### ***Income by Race and Sex***

The table below provides a breakdown by race of the individual monthly income of the employed, according to the 1996 census.<sup>94</sup> [<sup>94</sup> Ibid]

#### ***Individual monthly income by race: 1996<sup>a</sup>***

African

Coloured

Indian

White

Unspecified/ Other

***Total***

None<sup>b</sup>

67 867

9 154

3 299

22 015

1 018

**103 354**

R1–R200

636 718

56 697

5 762

28 561

3 991

**731 729**

R201–R500

1 186 478

195 228

12 587

42 558

8 590

**1 445 441**

R501–R1 000

1 293 717

216 618

39 445

76 298

11 248

**1 637 326**

R1 001–R1 500

1 088 001

231 507

73 339

131 265

12 913

**1 537 026**

R1 501–R2 500

667 021

180 879

76 952

253 713

11 944

**1 190 508**

R2 501–R3 500

303 914

88 647

49 189

261 581

7 683

**711 013**

R3 501–R4 500

154 853

48 656

30 908

228 432

5 309

**468 158**

R4 501–R6 000

90 060

33 424

28 238

242 336

4 609



**398 666**

R6 001–R8 000

34 873

12 595

13 771

160 617

2 256

**224 111**

R8 001–R11 000

19 464

5 596

7 631

118 943

1 387

**153 021**

R11 001–R16 000

9 406

2 335

3 857

74 709

719

**91 026**

R16 001–R30 000

4 817

1 253

2 078

45 169

395

**53 712**

R30 000 or more

2 070

465

858

17 677

151

**21 221**

Unspecified

123 216

46 463

15 573

152 579

9 703

**347 533**

Total<sup>c</sup>

5 682 476

1 129 515

363 486

1 856 452

81 917

9 113 847

*Source:* Statistics South Africa

a

Excluding institutions. Institutions are communal temporary, semi-permanent, or living arrangements for people in special circumstances, such as prisons, and homes for the disabled.

b

Includes people working for family businesses and people receiving payment in kind.

c

Figures should add up but may not, owing to rounding

Three quarters of employed Africans had incomes of R1 500 or less a month in 1996, compared with 16% of whites.

Some 70 630 Africans (1% of employed Africans) had incomes of more than R6 000 a month, as did 22 244 coloured people (2%), 28 195 Indians (8%), and 417 115 whites (23%). Among employed people as a whole, 543 091 (6%) received monthly incomes of R6 000 or more.

The table below provides a proportional breakdown of individual monthly income by race among the e

*Proportional distribution of individual monthly income by race: 1996<sup>a</sup>*

African  
 Coloured  
 Indian  
 White  
 Unspecified/ Other

**Total**

None<sup>b</sup>

1.2%

0.8%

0.9%

1.2%

1.2%

**1.1%**

R1–R200

11.2%

5.0%

1.5%

1.5%

4.9%

**8.0%**

R201–R500

20.9%

17.3%

3.5%

2.3%

10.5%

**15.9%**

R501–R1 000

22.8%

19.2%

10.9%

4.1%

13.7%

**18.0%**

R1 001–R1 500

19.1%

20.5%

20.2%

7.1%

15.8%

**16.9%**

R1 501–R2 500

11.7%

16.0%

21.2%

13.7%

14.6%

**13.1%**

R2 501–R3 500

5.3%

7.8%

13.5%

14.1%

9.4%

**7.8%**

R3 501–R4 500

2.7%

4.3%

8.5%

12.3%

6.5%

**5.1%**

R4 501–R6 000

1.6%

3.0%

7.8%

13.1%

5.6%

**4.4%**

R6 001–R8 000

0.6%

1.1%

3.8%

8.7%

2.8%

**2.5%**

R8 001–R11 000

0.3%

0.5%

2.1%

6.4%

1.7%

**1.7%**

R11 001–R16 000

0.2%

0.2%

1.1%

4.0%

0.9%

**1.0%**

R16 001–R30 000

0.1%

0.1%

0.6%

2.4%

0.5%

**0.6%**

R30 000 or more

0.04%

0.04%



0.2%

1.0%

0.2%

**0.2%**

Unspecified

2.2%

4.1%

4.3%

8.2%

11.8%

**3.8%**

Total<sup>c</sup>

100.0%

100.0%

100.0%

100.0%

100.0%

100.0%

*Source:* Statistics South Africa

a

Excluding institutions. Institutions are communal temporary, semi-permanent, or living arrangements for people in special circumstances, such as prisons, and homes for the disabled.

b

Includes people working for family businesses and people receiving payment in kind.

c

Figures should add up but may not, owing to rounding.

The table below provides a proportional breakdown of income levels among the employe

***Individual monthly income by race and sex: 1996***

Male

Female

Monthly income

African

Coloured

Indian

White

African

Coloured

Indian

White

R0–R500

25.8%

19.4%

4.8%

3.9%

47.5%

30.0%

8.9%

7.6%

R501–R1 000

24.4%

20.4%

8.8%

3.2%

21.4%

19.5%

16.0%

6.2%

R1 001–R1 500

23.8%

21.0%

18.3%

5.7%

12.5%

21.9%

26.0%

10.4%

R1 501–R3 500

20.1%

27.5%

38.4%

22.5%

13.3%

21.5%

32.4%

40.4%

R3 501+

6.0%

11.6%

29.8%

64.8%

5.2%

7.1%

16.7%

35.4%

**Total<sup>a</sup>**

100.0%

100.0%

100.0%

100.0%

100.0%

100.0%

100.0%

100.0%

*Source:* Statistics South Africa

a

Figures should add up vertically but may not, owing to ro

Data from the census showed that employed Africans, both men and women, tended to be concentrated in the lower income levels—slightly more than 50% of African men and some 69% of African women had an income of R1 000 a month or less. By contrast, nearly 65% of employed white men had an income of R3 500 a month or more, as did some 35% of white women. Coloured people and Indians occupied an intermediate position—a greater proportion of people from these race groups were in the upper income categories than Africans, but a noticeably smaller proportion than whites.

### ***Monthly Household Income***

Some 19% of households had an income of less than R500 per month in 1998, according to the 1998 All Media Products Survey (Amps), published by the South African Advertising Research Foundation.

More than a quarter of African households had an income of less than R500 a month, as opposed to 2% of coloured, Indian, and white households (which the survey combined into a single group). Some 23% of coloured, Indian, and white households had an income of R10 000 or more, while the equivalent proportion among African households was less than 1%.

The survey provided the following breakdown of income groups in 1998 by race:<sup>97</sup> [<sup>97</sup> South African Advertising Research Foundation, *All Media and Products Survey 98 and Trends 1993–1998*, December 1998, p30]

***Claimed monthly household income by race: 1998***

*Income group/month*

Total population

African

Coloured, Indian, white<sup>a</sup>

White

1–499

19.0%

26.3%

1.9%

0.7%

500–899

17.6%

23.3%

4.2%

1.4%

900–1 399

16.4%

20.7%

6.4%

2.8%

1 400–2 499

14.7%

16.2%

11.1%

6.5%

2 500–3 999

9.3%

7.1%

14.7%

12.1%

4 000–5 999

7.1%

3.5%

15.6%

15.6%

6 000–9 999

8.6%  
2.4%  
23.4%  
29.1%  
10 000+  
7.2%  
0.7%  
22.7%  
31.7%  
**All<sup>b</sup>**  
100.0%  
100.0%  
100.0%  
100.0%

*Source:* South African Advertising Research Foundation

a  
Individual groups too small to record.

b  
Figures should add up vertically but may not, owing to

## **Income Trends**



## **Urban Households**

In 1997 the Central Statistical Service (CSS, subsequently Stats SA) published a comparison of the findings of two income and expenditure surveys, namely the survey of household expenditure of 1990, and the income and expenditure survey of 1995. The 1990 survey was conducted among households in the 12 main urban areas of South Africa and as a result the 1995 figures were adjusted to make the data comparable.

The table below shows the average annual household income in the 12 main urban areas by race in 1990 and 1995.<sup>98</sup> [98 CSS, *Earning and Spending in South Africa, Selected Findings of the 1995 Income and Expenditure Survey*, 1997]

### ***Average annual household income in the 12 main urban areas: 1990 and 1995<sup>a</sup>***

African

Coloured

Indian

White

Average

1990

R20 000

R38 000

R45 000

R117 000

R67 000

1995

R48 000

R64 000

R87 000

R113 000

R83 000

Increase (decrease)

140.0%

68.4%

93.3%

(3.4%)

23.9%

*Source:* Statistics South Africa

a

In real terms.

The table below shows the proportion of households in each income quintile by race in the 12 main urban areas, in 1990 and 1995 (quintile 1 represents that richest quintile of each group, quintile 5 the poorest)

***Proportion of households in each income quintile by race in the 12 main urban areas: 1990 and 1995***

Quintile 1

Quintile 2

Quintile 3

Quintile 4

Quintile 5

African

1990

2%

10%

23%

31%

34%

1995

6%

9%

18%

29%

38%

*Coloured*

1990

8%

28%

33%

20%

12%

1995

9%

26%

17%

35%

13%

*Indian*

1990

17%

36%

27%

12%

8%

1995

27%

22%

25%

12%

15%

*White*

1990

51%

30%

12%

5%

3%

1995

33%

29%

22%

10%

6%

*Source:* Statistics South Africa

Among all four races, the proportion of households in the bottom quintile increased between 1990 and 1995. The proportion of households in the top quintile in three of the four groups—Africans, coloured people, and Indians—increased, while the proportion of white households in this quintile dropped noticeably, f

### ***Earnings in the Manufacturing Sector***

The table below provides a breakdown by race of annual real earnings in the manufacturing sector in various years from 1975 to 1997 (the latest year for which figures were available), and the change between 1975 and 1997 (brackets denote a decrease).<sup>100</sup> [<sup>100</sup> Bureau for Economic Research, University of Stellenbosch, *Trends*, December 1997; first quarter 1999; 1997/98 Survey, p285]

#### ***Annual real earnings of workers in the manufacturing sector: 1975–97***

1975

1980

1985

1990

1995

1996

1997

African

Real earnings (R)

8 480

10 305

11 390

12 620

12 821

12 630

12 608

Change in real earnings 1975–97

**48.7%**

*Coloured*

Real earnings (R)

11 329

12 427

13 173

13 705

14 197

14 427

14 792

Change in real earnings 1975–97

**30.6%**

*Indian*

Real earnings (R)

12 671

14 229

16 350

18 471

20 221

20 672

20 517

Change in real earnings 1975–97

**61.9%**

*White*

Real earnings (R)

42 881

45 486

45 472

43 288

41 910

42 933

42 584

Change in real earnings 1975–97

**(0.7%)**

*Total population*

Real earnings (R)

16 917

18 635

19 650

19 854

20 959

20 757

20 848

Change in real earnings 1975–97



**23.2%**

*Source:* Bureau for Economic Research, University of Stellenbosch

The graph below plots trends in the annual real earnings of different race groups in the manufacturing sector in South Africa

Between 1975 and 1997 average real earnings in the manufacturing sector increased by 23% for the population as a whole. The increase was most conspicuous among Indians, whose earnings increased by some 62% over this period. The real earnings of Africans and coloured people increased by 49% and 31% respectively. Real earnings of whites declined marginally, by 0.7%.

In 1975 the average real earnings of Africans in the manufacturing sector were 20% those of whites, coloured people's earnings were 26% those of whites, and Indians 30%. In 1997, the average real earnings of whites in the manufacturing sector still exceeded those of all other races, but the differences between whites' earnings and those of other races were smaller. Africans' earnings were some 30% of those of whites, coloured people's were 35%, and Indians' were 48%.

The table below sets out the earnings of Africans, coloured people, and Indians in the manufacturing sector as a proportion of the earnings of whites in this sector, and also shows the ratio of the earnings of these race groups to those of whites.<sup>101</sup> [<sup>101</sup> Ibid]

***Real earnings in the manufacturing sector as a proportion of real earnings of whites: 1975 and 1997***

Real earnings as a proportion of real earnings of whites: 1975

Real earnings as a proportion of real earnings of whites: 1997

Ratio of earnings of whites to earnings of other: 1975

Ratio of earnings of whites to earnings of other: 1997

African

19.8%

29.6%

5.5 to 1

3.4 to 1

Coloured

26.4%

24.7%

3.8 to 1

2.9 to 1

Indian

29.5%

48.2%

3.4 to 1

2.1 to 1

*Source:* Bureau for Economic Research, University of Stellenbos

## ***Poverty***

See chapter on *The Economy*.

## **Unemployment**

### **Definition**

Statistics South Africa (Stats SA) defines the unemployed as those in the economically active population who:

- have not worked during the seven days prior to being interviewed;
- want to work, and are available to start work within a week of the interview; and
- have taken active steps to look for work or to provide themselves with self-employment in the four

weeks preceding the interview.

The official unemployment rate is the proportion of the economically active population who conform to the above definition—the ‘strict’ definition of unemployment. The ‘expanded’ definition defines the unemployed as those who have not worked during the seven days prior to the interview, and were available to start work within a week of the interview. It thus excludes the criterion that those qualifying as unemployed must actively have sought work (or an alternative).<sup>102</sup> [<sup>102</sup> Stats SA, *Population Census 1996*]

## Statistics and Trends

### 1996 Census

The 1996 census did not require respondents to indicate whether they had taken active steps to look for work in the four weeks prior to the interview. The 1996 census therefore uses the ‘expanded’ unemployment rate.

The table below gives a provincial breakdown of unemployment in 1996.<sup>103</sup> [<sup>103</sup> Ibid]

#### *Unemployment rate by province: 1996<sup>a</sup> (expanded definition)*

Eastern Cape

48.5%

Free State

30.0%

Gauteng

28.2%

KwaZulu-Natal

39.1%

Mpumalanga

32.9%

North West

37.9%

Northern Cape

28.5%

Northern Province

46.0%

Western Cape

17.9%

**Total**

33.9%

*Source:* Statistics South Africa

a

Excluding institutions. Institutions are communal temporary, semi-permanent, or living arrangements for people in special circumstances, such as prisons, and homes for the disabled.

The bar chart below shows the levels of unemployment by province, according to the 1996 census (using the expanded

The table below provides a breakdown of the unemployment rate in 1996 by race and sex.<sup>104</sup> [<sup>104</sup> Ibid]

***Unemployment rate by race and sex: 1996<sup>a</sup> (expanded definition)***

*Men*

African

34.1%

Coloured

18.3%

Indian

11.1%

White

4.2%

*Women*

African

52.4%

Coloured

24.1%

Indian

14.0%

White

5.1%

**Total**

African

42.5%

Coloured

20.9%

Indian

12.2%

White

4.6%

Overall

33.9%

*Source:* Statistics South Africa

a

Excluding institutions. Institutions are communal temporary, semi-permanent, or living arrangements for people in special circumstances, such as prisons, and homes for

The census found that unemployment correlated strongly to race and sex. According to the expanded definition of unemployment, more than half of African women were unemployed, compared to some 5% of white women. Some 34% of African men were unemployed, compared with slightly more than 4% of white men.

### ***Trends 1994–97***

In 1998 Stats SA published a report on unemployment in South Africa. The report used selected information from October Household Surveys conducted annually from 1994 to 1997. The study based its figures on the preliminary data from the 1996 census. There were significant differences between the preliminary census data and the final 1996 census figures—figures are therefore not strictly comparable to the later census figures.

In this report, Stats SA presented the data in two ways—according to the strict definition of unemployment and according to the expanded definition (see *Definition* above).

According to the expanded definition, some 4.6m or 37.6% of the economically active population were unemployed in 1997.

### ***Unemployment by Race***

The following table shows the levels of unemployment by race in South Africa between 1994 and 1997,

according to the strict definition, as well as the annual change (brackets denote a decrease):<sup>105</sup> [105 CSS, *Employment and Unemployment in South Africa, October Household Survey, 1994–97*, Statistical Release PO317.10, 13 August 1998]

***Level of unemployment by race: 1994–97 (strict definition)***

\_\_\_\_\_

African

\_\_\_\_\_

\_\_\_\_\_

Coloured

\_\_\_\_\_

Number

Increase (decrease)

Number

Increase (decrease)

1994

1 637 000

—

260 000

—

1995

1 336 000

(18.4%)

229 000

(11.9%)

1996

1 714 000

28.3%

191 000

(16.6%)

1997

1 895 000

10.6%

229 000

19

***Level of unemployment by race: 1994–97 (strict definition) (continued)***

\_\_\_\_\_

Indian

\_\_\_\_\_

\_\_\_\_\_

White

\_\_\_\_\_

\_\_\_\_\_



Total

Number

Increase (decrease)

Number

Increase (decrease)

Number

Increase (decrease)

1994

48 000

—

42 000

—

1 988 000

—

1995

41 000

(14.6%)

38 000

(9.5%)

1 644 000

(17.3%)

1996

58 000

41.5%

57 000

50.0%

2 019 000

22.8%

1997

52 000

(10.3%)

62 000

8.8%

2 238 000

10.8%

*Source:* Statistics South Af

The bar chart below illustrates the level of unemployment by race between 1994 and 1997, according to the strict definition of unemployment.

The following table shows the rate of unemployment by race between 1994 and 1997, according to the strict definition of unemployment:<sup>106</sup> [<sup>106</sup> Ibid]

***Unemployment rate<sup>a</sup> by race: 1994–97 (strict definition)***

*Year*

African

Coloured

Indian

White

Total

1994

24.7%

17.6%

10.2%

3.0%

20.0%

1995

20.7%

16.5%

8.3%

2.8%

16.9%

1996

27.4%

13.1%

12.1%

4.0%

21.0%

1997

29.3%

16.0%

10.2%

4.6%

22.9%

*Source:* Statistics South Africa

a

Proportion of the economically active population that is unemployed.

The graph below plots trends in the rate of unemployment by race between 1994 and 1997, according to the strict def

The tables below show the level of unemployment by race, between 1994 and 1997, according to the expanded definition of unemployment (brackets denote a decrease).<sup>107</sup> [<sup>107</sup> Ibid]

***Unemployment by race: 1994–97 (expanded definition)***

———— African —————

———— Coloured —————

Number

Increase (decrease)

Number

Increase (decrease)

1994

3 216 000

—

339 000

—

1995

2 879 000

(10.5%)

344 000

1.5%

1996

3 703 000

28.6%

328 000

(4.7%)

1997

4 028 000

8.8%

358 000

9

*Unemployment by race: 1994–97 (expanded definition)(continued)*

———— Indian ————

———— White ————

———— **Total** ————

Number

Increase (decrease)

Number

Increase (decrease)

*Number*

Increase (decrease)

1994

62 000

—

55 000

—

**3 672 000**

—

1995

51 000

(17.7%)

48 000

(12.7%)

**3 321 000**

(9.6%)

1996

83 000

62.7%

83 000

72.9%

**4 197 000**

26.4%

1997

71 000

(14.5%)

94 000

13.3%

**4 551 000**

(8.4%)

*Source:* Staistics South Afr

The bar chart below shows the level of unemployment in South Africa by race from 1994 to 1997, according to the expanded definition of unemployment.

The following table indicates the rate of unemployment between 1994 and 1997, according to the expanded definition of unemployment:<sup>108</sup> [<sup>108</sup> Ibid]

***Unemployment rate:<sup>a</sup> 1994–97 (expanded definition)***

<i>Year</i>
African
Coloured
Indian
White
<b><i>Total</i></b>
1994
39.2%
21.7%
12.9%
3.9%
<b>31.5%</b>
1995
36.0%



22.9%

10.0%

3.4%

**29.2%**

1996

45.0%

20.6%

16.6%

5.7%

**35.6%**

1997

46.8%

23.0%

13.5%

6.7%

**37.6%**

*Source:* Statistics South Africa

a

Proportion of the economically active population that is unemployed.

The chart below plots trends in the rate of unemployment by race between 1994 and 1997, according to the expanded definition of unemp

## ***Unemployment in 1997***

### *Unemployment by Urban/non-Urban Areas*

The following table shows urban/non-urban unemployment by race, according to the strict definition in 1997:<sup>109</sup> [109 Ibid]

#### ***Unemployment in urban and non-urban areas: 1997 (strict definition)***

African

Coloured

Indian

White

#### ***South Africa***

*Urban*

Number

1 245 000

216 000

50 000

56 000

**1 567 000**

Rate

29.1%

17.5%

10.1%

4.3%

**21.5%**

*Non-urban*

Number

650 000

13 000

2 000

7 000

**672 000**

Rate

29.5%

6.4%

12.5%

7.9%

**26.9%**

*Source:* Statistics South Africa

The following table shows urban/non-urban unemployment by race, according to the expanded definition, in 1

***Unemployment in urban and non-urban areas: 1997 (expanded definition)***

African

Coloured

Indian

White

***South Africa***

*Urban*

Number

2 276 000

331 000

69 000

87 000

**2 762 000**

Rate

42.9%

24.5%

13.4%

6.6%

**32.6%**

*Non-urban*

Number

1 752 000

28 000

3 000

7 000

**1 790 000**

Rate

53.0%

13.0%

16.1%

8.5%

**49.5%**

Source: Statistics South A

### *Unemployment by Age*

The table below provides an overall age profile of the unemployed, according to the strict definition.<sup>111</sup>  
[<sup>111</sup> Ibid]

#### ***Overall age profile of the unemployed: 1997 (strict definition)***

————— *Male* —————

————— *Female* —————

————— ***Total*** —————

Number

Proportion of total<sup>a</sup>

Number

Proportion of total<sup>a</sup>

*Number*

Proportion of total<sup>a</sup>

15–30 years

579 000

57.5%

681 000

55.3%

**1 259 000**

56.3%

31–45 years

324 000

32.2%

461 000

37.4%

**785 000**

35.1%

46–65 years

105 000

10.4%

89 000

7.2%

**194 000**

8.7%

**Total<sup>a</sup>**

1 007 000

100.0%

1 231 000

100.0%

2 238 000

100.0%

*Source:* Statistics South Africa

a

Figures should add up but may not, owing to rounding.

The table below provides a breakdown of the overall age profile of the unemployed in 1997, according to the expanded definition of unemploym

***Overall age profile of the unemployed: 1997 (expanded definition)***

\_\_\_\_\_ Male \_\_\_\_\_

\_\_\_\_\_ Female \_\_\_\_\_

\_\_\_\_\_ ***Total*** \_\_\_\_\_

Number

Proportion of total<sup>a</sup>

Number

Proportion of total<sup>a</sup>

*Number*

Proportion of total<sup>a</sup>

15–30 years

1 054 000

55.4%

1 421 000

53.6%

**2 476 000**

54.4%

31–45 years

695 000

36.5%

1 077 000

40.7%

**1 771 000**

38.9%

46–65 years



154 000

8.1%

151 000

5.7%

**305 000**

6.7%

Total

1 902 000

100.0%

2 649 000

100.0%

4 551 000

100.0%

*Source:* Statistics South Africa

a

Figures should add up but may not, owing to roun

Most of the unemployed in all race groups were 30 years old or younger in 1997. An age profile of the unemployed (strict definition) by race is shown in the following table:<sup>113</sup> [<sup>113</sup> Ibid]

***Age profile of the unemployed by race: 1997<sup>a</sup> (strict definition)***

———— African —————

———— Coloured ————

———— Indian ————

———— White ————

Years

Number

Proportion of total

Number

Proportion of total

Number

Proportion of total

Number

Proportion of total

15–30

1 044 000

55.1%

148 000

64.6%

16 000

57.1%

33 000

53.2%

31-45

688 000

36.3%

64 000

27.9%

8 000

28.6%

20 000

32.3%

46-65

164 000

8.7%

16 000

7.0%

4 000

14.3%

9 000

14.5%

**Total**

1 895 000

100.0%

229 000

100.0%

28 000

100.0%

62 000

100.0%

*Source:* Statistics South Africa

a

Figures should add up but may not, owing to rounding.

The following table gives a breakdown of the age profile of the unemployed by race, according to the expanded definition of unemployment

***Age profile of the unemployed by race: 1997<sup>a</sup> (expanded definition)***

\_\_\_\_\_ African \_\_\_\_\_

\_\_\_\_\_ Coloured \_\_\_\_\_

\_\_\_\_\_ Indian \_\_\_\_\_

\_\_\_\_\_ White \_\_\_\_\_

Years

Number

Proportion of total

Number

Proportion of total

Number

Proportion of total

Number

Proportion of total

15–30

2 148 000

53.3%

229 000

64.0%

47 000

65.3%

51 000

54.3%

31–45

1 608 000

39.9%

109 000

30.49%

21 000

29.2%

33 000

35.1%

46-65

164 000

6.7%

20 000

5.6%

4 000

5.6%

10 000

10.6%

**Total**

4 028 000

100.0%

358 000

100.0%

71 000

100.0%

94 000

100.0%

*Source:* Statistics South Africa

a

Figures should add up but may not, owing to round

### ***South African Reserve Bank***

High levels of unemployment, and the inability to create enough jobs to reduce the rate of unemployment were a ‘major structural problem’ in the South African economy, according to the South African Reserve Bank. The table below shows trends in employment in the non-agricultural, non-domestic formal sector between 1994 and 1998 (brackets denote a decrease).<sup>115</sup> [<sup>115</sup> SARB, *Quarterly Bulletin*, June 1999]

#### ***Employment trends: changes in employment: 1994–98***

*Year*

Public sector

Private sector

***Total***

1994

0.5%

(0.9%)

**(0.4%)**

1995

(4.2%)

0.5%

**(1.1%)**

1996

3.4%

(2.6%)

**(0.7%)**

1997

(0.3%)

(2.5%)

**(1.7%)**

1998

(1.4%)

(5.7%)

**(4.2%)***Source:* South African Reserve Bank

The reserve bank's statistics show that employment in the non-agricultural, non-domestic formal sector of the South African economy has been decreasing between 1994 and 1998. Declines in employment were particularly noticeable in the private sector, where only one year (1995) showed an increase in employment.

The reserve bank said in its 1999 annual report that a decline in formal sector employment in 1998 was 'the continuation of a long term decline dating back to 1989'. Accumulated job losses from the third quarter of 1989 to the end of the first quarter of 1999 totalled nearly 850 000, and 'reduced the number of the gainfully employed to a level last seen in 1979

## **Labour Absorption**

The graph below plots the decline in labour absorption in the South African economy.



The table below shows the labour absorption capacity of the South African economy from 1960 to 1996.<sup>117</sup> [117 Fax communication from Mr David Viljoen, information analyst, Development Information Business Unit, Development Bank of Southern Africa (DBSA), 30 June 1998]

***Labour absorption capacity: 1960–96***

*Year*

Total labour force<sup>a</sup>

Formally employed<sup>b</sup>

Labour force absorption rate<sup>c</sup>

**1960<sup>d</sup>**

5 316 000

4 651 720

87.5%

1961

5 456 235

4 852 220

88.9%

**1962**

5 597 623

4 960 730

88.6%

1963

5 743 311

5 011 540

87.3%

**1964**

5 893 462

5 190 240

88.1%

1965

6 048 238

5 439 840

89.9%

**1966**

6 207 813

5 607 740

90.3%

1967

6 372 368

5 723 940

89.8%

**1968**

6 542 091

5 844 740

89.3%

1969

6 717 182

6 023 450

89.7%

**1970<sup>d</sup>**

6 897 853

6 164 200

89.4%

1971

7 093 637

6 276 100

88.5%

**1972**

7 295 787

6 351 400

87.1%

1973

7 504 538

6 643 600

88.5%

**1974**

7 720 137

6 871 200

89.0%

1975

7 942 842

7 002 600

88.2%

**1976**

8 172 920

7 112 800

87.0%

1977

8 410 650

7 212 600

85.8%

**1978**

8 656 323

7 263 200

83.9%

1979

8 910 242

7 400 500

83.1%

**1980<sup>d</sup>**

9 172 719

7 560 400

82.4%

1981

9 455 638

7 761 900

82.1%

**1982**

9 749 054

7 894 700

81.0%

1983

10 053 419

7 843 500

78.0%

**1984**

10 369 208

7 905 900

76.2%

1985<sup>d</sup>

10 696 917

7 842 700

73.3%

**1986**

11 037 068

7 924 600

71.8%

1987

11 390 205

8 016 500

70.4%

**1988**

11 756 898

8 081 600

68.7%

1989

12 137 746

8 156 700

67.2%

**1990**

12 533 380

8 135 200

64.9%

1991<sup>d</sup>

12 944 441

7 987 500

61.7%

**1992**

13 359 000

7 865 700

58.9%

1993

13 780 404

7 757 665

56.3%

**1994<sup>e</sup>**

14 297 048

7 702 400

53.9%

1995<sup>e</sup>

14 356 000

7 723 300

53.8%

**1996<sup>d</sup>**

13 785 493

7 715 500

56.0%

*Source:* Development Bank of Southern Africa

a

Includes the employed, the unemployed, and those involved in the informal sector.

b

Includes all those in wage employment in the formal sector of the economy.

c

Formal employment as a proportion of the total labour force.



d

Census dates.

e

October Household Survey dates (years not covered by a census or an October Household Survey have be

Between 1980 and 1994 the net increase in employment opportunities was some 142 000 jobs, while the labour force increased by several million people, according to a report prepared for the Development Bank of Southern Africa. The report said that the South African economy's declining absorption capacity was reflected in a rising unemployment rate.<sup>118</sup> [<sup>118</sup> Meintjes CJ, *Impediments on the Labour Absorption Capacity of the South African Economy*, DBSA, Discussion Paper No 2, March 1998]

The report found that labour intensity (employment per R1m of gross domestic product (GDP), ie the number of workers required to produce R1m worth of final goods and services) of the production process was declining. Labour intensity dropped from 36 workers per R1m of GDP in 1980 to 31 in 1994—fewer workers for each unit of output. The decline was especially evident in the agricultural, commerce, community, electricity, mining, and transport sectors.

The report highlighted a number of factors which contributed to unemployment, including:<sup>119</sup> [<sup>119</sup> Ibid]

- a movement towards capital-intensive production to counter the dual problem of rising labour costs and lagging labour productivity. 'Labour problems' pushed companies to capital-intensive production despite high prices—'the abundant factor [labour] is being employed as if scarce, and the scarce factor [capital] used as if in abundant supply';
- political and social pressures pushing up wages despite a labour surplus (resulting in retrenchments); and
- a shortage of entrepreneurs and appropriately skilled labour required for the development and maintenance of modern and mechanised technology.

## **Unemployment Insurance Fund**

In September 1998 the coverage of the Unemployment Insurance Fund (UIF) was extended to workers earning up to R7 410 per month. Previously, workers earning up to R6 916 had been covered.<sup>120</sup> [<sup>120</sup> Telephonic interview with Mr Kenny Fick, claims officer: Gauteng North, 12 May 1999]

In December 1998 a report into the Unemployment Insurance Fund (UIF) proposed extending coverage by the fund to all employees, including civil servants, domestic workers, and highly paid employees.

The report recommended that the fund should provide for a set of graduated benefits (ie those who earned different salaries would receive different levels of benefits), so that lower-paid workers would receive up to 70% of their last salary, while higher paid workers would receive some 35%. However, the minimum benefit that a claimant would receive would be R200 per month and the maximum R2 240 per month, even if this amount was less than 35% of his or her last salary. At the time of writing these recommendations had not yet been implemented.<sup>121</sup> [<sup>121</sup> *Business Day* 4 December 1998; telephonic interview with Mr Kenny Fick, 12 May 1999]

## Trade Liberalisation

A study by the International Labour Organisation into the effects of globalisation on South Africa found that employment had declined not only in those sectors of manufacturing which had experienced significant decreases in tariff rates, but also in those which had not. However, the decline in employment was relatively small in those sectors where the decreases in tariff rates had been greater. Those sectors which had experienced significant decreases in tariff rates experienced the greatest increases in real wages and in productivity. This suggested that trade liberalisation did not correlate with job losses. The table below presents some of the findings of the study (brackets denote a decrease).<sup>122</sup> [<sup>122</sup> Institute for Futures Research, *Trade liberalisation and employment in South Africa*, vol 7 no 4, April 1999]

### *Labour market changes in the manufacturing sectors by degree of tariff reduction: 1994–98*

Manufacturing sectors with:

No or slight decreases in tariff rates

Large decreases in tariff rates

Employment

(6.5%)

(5.3%)

Average real wages

2.3%

3.9%

Productivity

15.1%

20.

## Job Gains

At the time of writing no comprehensive information was available on job gains as a result of trade liberalisation. However, the chief executive of the Clothing Federation of South Africa, Mr Paul Theron, said in March 1998 that increased access to the United States market—in terms of the African Growth and Opportunity Act passed by the US Congress—could create some 30 000 new jobs over three years. This could rise to as many as 100 000 when the 3% export limit was reached (the export limit referred to the proportion of the US's total clothing imports that South Africa would be allowed to provide).<sup>123</sup> [<sup>123</sup> *Sunday Tribune* 29 March 1998]

## Job Losses

Cheap and illegal imports of footwear were threatening jobs, according to the president of the Southern African Footwear and Leather Industries Association, Mr Robert Feinblum. In 1997 some 2 800 jobs were lost in the footwear industry owing to competition from imported footwear. He said that the country could not afford to 'write off' the footwear industry. The industry aimed to create some 100 000 jobs and to produce 120m pairs of footwear by 2005.<sup>124</sup> [<sup>124</sup> *The Star Business Report* 1 July 1998] Imports compelled South African footwear manufacturers to reduce the volume of production from 62.4m pairs in 1988 to 36.4m in 1997. Employment also dropped from 25 459 to some 16 000 over the same period, according to the minister of trade and industry, Mr Alec Erwin.<sup>125</sup> [<sup>125</sup> *Ibid* 7 April 1998]

According to Mr Erwin, there was no correlation between job losses in three sectors of the economy—clothing, leather goods, and textiles—and a reduction in South Africa's tariffs. He said that the number of jobs in the leather industry had fallen from 9 300 in 1993 to 5 600 in June 1998, but employment in the clothing industry had risen from 124 200 to 137 900 jobs over the same period.<sup>126</sup> [<sup>126</sup> *Ibid* 19 November 1998]

## Occupational Safety

### Mine Safety

A performance audit of the mine health and safety inspectorate, conducted by the auditor general and tabled in Parliament in February 1999, found that the inspectorate was unable to ensure healthy and safe working conditions in the mining industry because of inadequate manpower, inadequate training, and poor remuneration packages. Whereas Australia had a ratio of one inspector for 733 miners, South Africa had a ratio of one for every 4 790 miners. Furthermore, inspections were being conducted without proper planning. Scarce resources were not being utilised optimally, and irregular inspections were

carried out. For example, in 1995, some 90% of accidents occurred underground, but only 30% of inspections were conducted there. Among other findings of the performance audit were the following:<sup>127</sup>  
 [127 *Report of the Auditor-General on Performance Audits Completed During the Period 1 August 1997 to 31 August 1998*, RP216/1998]

- although occupational health was the highest risk area in the mining industry, only a small portion of research funds were spent on this;
- the total cost of treatment of tuberculosis (TB) was about R210m a year. The incidence of TB was exacerbated by the fact that between 20% and 30% of miners were HIV positive. Furthermore, costs related to the treatment of cancer patients from mines amounted to about R220m a year;
- preventive measures to reduce fatalities on mines as a result of fall of ground were not adequate;
- corrective measures to ensure predetermined safety objectives were not enforced or co-ordinated adequately. Investigations into accidents focused mainly on determining blame rather than on identifying causes and instituting measures to prevent the occurrence of accidents; and
- safety information to ensure the implementation of preventive safety measures was not provided effectively.

The table below provides a breakdown of the number of fatalities and reportable injuries on all South African mines between 1984 and 1998.<sup>128</sup> [128 1997/98 Survey, p14; fax communication from the Department of Minerals and Energy, 24 February 1999]

***Fatalities and reportable injuries on South African mines:<sup>a</sup> 1984–98***

*Year*

Fatalities

Fatality rate<sup>b</sup>

Reportable injuries

Reportable injury rate<sup>c</sup>

1984

774

1.12

15 745

22.81

**1985**

737

1.04

15 080

21.34

1986

855

1.20

13 315

18.68

**1987**

756

1.07

11 478

16.26

1988

677

1.00

10 374

15.36

**1989**

744

1.12

10 657

18.02

1990

684

0.98

9 830

14.09

**1991**

602

0.95

9 058

14.24

1992

551

0.94

8 795

15.00

**1993**

586

1.08

8 524

15.66

1994

482

0.95

7 934

15.71

**1995**

533

1.02

7 717

14.76

1996<sup>d</sup>

463

0.94

7 426

15.00

**1997<sup>d</sup>**

415

0.86

7 095

14.77

1998<sup>e</sup>

371

0.86

6 064

14.13

*Source:* Department of Minerals and Energy

a

Includes chrome, clay, coal, copper, diamond, gold, granite, iron ore, limestone, and platinum.

b

Number of fatalities per 1 000 employees in service.

c

Number of reportable injuries per 1 000 employees in service.

d



Figures have been revised.

e

Figures are provisional.

In 1998 the number of fatalities on South African mines dropped by 11% compared with 1997. The number of reportable injuries dropped by 15% compared with 1997. Some 85% of fatalities and 89% of injuries occurred underground in 1998. In the 14 years between 1984 and 1998 the fatality rate on mines dropped by almost a quarter. The reportable injury rate dr

### **Safety in Other Industries**

In 1997, 8 459 workplace incidents were reported to the Department of Labour, 508 (or 6%) of which were fatal—14% fewer than the 591 fatalities in 1996. The department investigated 6 926 incidents in 1997, 6 102 (88%) of which were finalised. The proportion of fatalities in relation to the number of incidents (investigated and finalised) increased from 7.5% in 1996 to 8.3% in 1997.<sup>130</sup> [<sup>130</sup> Department of Labour, annual report 1997]

The table below shows the number of incidents investigated and finalised by the Department of Labour from 1992 to 1997.<sup>131</sup> [<sup>131</sup> Ibid]

#### ***Incidents investigated and finalised: 1992–97***

*Year*

Number

Increase (decrease)

1992

8 086

—

1993

9 979

23.4%

1994

8 968

(10.1%)

1995

10 556

17.7%

1996

7 881

(25.3%)

1997

6 102

(22.6%)

*Source:* Department of Labour

In 1997 the iron and steel industry accounted for the single largest proportion of all incidents (19%), while the transport sector accounted for the single largest proportion of all fatalities (38%). There was, however, a significant drop in the number of incidents and fatalities in these sectors in 1997. The agriculture and forestry; building and construction; food, drink and tobacco; and local authority sectors each accounted for 8%–9% of all incidents. The agriculture and forestry, and building and construction sectors also experienced a high number of fatalities in 1997.

The table below shows the number of fatalities in various industries from 1993 to 1

***Fatalities by industry: 1993–97***

1993

1994

1995

1996

1997

Agriculture and forestry

119

145

82

62

85

**Banks, finance, and insurance**

1

1

0

0

1

Building and construction

97

103

114

64

80

**Charitable, religious, and political associations, trade unions**

1

0

0

0

1

Chemical

17

13

14

16

5

**Diamond, asbestos and bitumen**

1

0

0

1

0

Educational services

4

5

2

3

3

**Entertainment and sport**

3

3

0

0

1

**Fishing**

0

2

0

0

0

**Food, drink, and tobacco**

17

27

18

9

9

Glass, bricks, and tiles

9

11

8

7

5

**Iron and steel**

46

52

59

47

37

Leather

0

0

0

0

0

**Local authorities**

66

60

89

50

50

Medical services

1

2

3

0

1

**Mining and works**

1

1

3

0

4

Personal services, hotels

7

12

12

14

9

**Printing and paper**

4

4

3

1

2

Professional services

2

0

1

1

0

**Textile**

1

3

2



0

3

Timber

19

16

23

13

9

**Trade**

30

20

17

11

8

Transport

283

433

492

292

195

**Tot**

## **Occupational Health and Safety Inspectors**

In 1997 the occupational health and safety staff complement consisted of 55 administrative staff and 93 inspectors. The inspectorate was running at a 33% vacancy rate in 1997, according to the Department of Labour. Reasons for the high turnover of occupational health and safety staff included:

- better opportunities and higher salaries offered by the private sector;
- retirements;
- a moratorium placed on the filling of posts in July 1997; and
- a discrepancy in salaries between inspectors in the Department of Labour and those in the Department of Minerals and Energy.

Furthermore, once new inspectors are appointed it takes six months before they are fully operational.<sup>133</sup>  
[<sup>133</sup> Department of Labour, annual report 1997; Fast Facts October 1998]

In 1997 there was a 35% drop in basic inspections and a 32% drop in follow-up and high risk inspections (essentially preventive strategies). Some 38% of the labour inspectorate's time was spent on administrative activities, while less time was spent on training than in 1996.<sup>134</sup> [<sup>134</sup> Ibid]

# **GOVERNMENT AND CONSTITUTION**

## **BIRD'S EYE VIEW**

South Africa's second all-race election was held on 2nd June 1999. The African National Congress (ANC) won 66% of the votes cast and secured a slightly higher number of seats in the election to the National Assembly than it had in the 1994 general election (266 compared with 252). The New National Party (NNP) lost more than half of its seats (securing 28 compared with 82 in 1994), while the Democratic Party (DP) increased its representation from seven to 38. No provinces changed hands, although the ANC secured more votes than the NNP in the Western Cape, and was only narrowly beaten by the IFP in KwaZulu-Natal. Voter turnout was, however, considerably lower (3.6m fewer votes were cast) in 1999 than in 1994.

The Independent Electoral Commission (IEC), the body charged with running the election, faced a number of Constitutional Court challenges prior to the 1999 election. The court found inter alia that prisoners had the right to vote, and that it was not unreasonable for the state to require its citizens to

possess a barcoded identity document in order to register for the election. Prior to the 1999 election ANC leaders made contradictory statements regarding the party's aim of winning an 'overwhelming majority' in the election—which would enable them to amend the constitution. Some aspects of the constitution have been blamed for creating difficulties in implementing the ANC's programmes of social upliftment and 'transformation'.<sup>1</sup> [<sup>1</sup> *Sowetan* 11 May 1998, *The Citizen* 12 May 1998, *Sunday Times* 19 May 1998] The newly elected president, Mr Thabo Mbeki, indicated that the ANC would not unilaterally alter the constitution.<sup>2</sup> [<sup>2</sup> *The Citizen* 23 July 1998] Opposition parties, however, accused the ANC of wanting to obtain a two-thirds majority in order to make such changes.

The Constitutional Court handed down judgement in some 80 cases between 1995 and 1998. Provisions of the bill of rights, including the rights to equality, fair administrative procedures, and privacy, were invoked to strike down a number of laws.

The judiciary was criticised on a number of occasions during the period under review. Unpopular judgements led to calls for the judiciary to be 'transformed'. These included the conviction for theft and fraud of Dr Allan Boesak, a prominent clergyman, anti-apartheid campaigner, and ANC member, and the acquittal of Mr Nicolas Steyn, who had been charged with the murder of a black baby.

Many judicial appointments appeared to reflect a desire to 'Africanise' the judiciary. In June 1999 Mr Justice Sandile Ngcobo was appointed to the Constitutional Court. It had been widely expected that Mr Justice Edwin Cameron, described by his peers as the 'brightest legal mind of his generation', would be appointed. Mr Bulelani Ngcuka was appointed national director of public prosecutions in August 1998. Mr Ngcuka was a former MP (ANC) and deputy chairman of the National Council of Provinces. The National Party described his appointment as 'another example of the ANC's aggressive drive to politicise South African society and institutions'.

During 1998 the South African Human Rights Commission processed 300 complaints of unfair discrimination from ordinary citizens and 327 from prisoners. The resignation of Mrs Helen Suzman from the commission during the period under review attracted some speculation that she had become disillusioned with it. Between January 1998 and July 1999 the office of the public protector opened 6 231 cases. The public protector, Mr Selby Baqwa, investigated 20 allegations of nepotism in public service appointments, but found no impropriety. Mr Justice Willem Heath of the Heath Special Investigating Unit told Parliament in March 1998 he had thus far 'recovered or saved' R840m in state assets and funds. After this amount was disputed by the minister of finance, Mr Trevor Manuel, the auditor general found that the figure was in fact R1.3bn, of which R60m was actual cash recovery.

The *White Paper on Affirmative Action in the Public Service* was adopted in March 1998. Each national and provincial department was required to implement an affirmative action programme including numerical quotas by race, gender, and disability. In May 1999 the director general of the public service and administration, Dr Paseka Ncholo, said the size of the public service had been reduced by more than 10% since the government took office in 1994.

The auditor general, Mr Henri Kluever, said in his report on the government accounts for 1997/98 that the management of public funds by the provinces was ‘a source of grave concern’. Performance audits carried out between 1997 and 1998 showed that mismanagement, a lack of planning and control, and general incompetence in 12 government departments cost some R370m over three years.

Financial difficulties continued in the local government sphere during the period under review, as outstanding rates and service charges continued to escalate.

Parliament also passed legislation aimed at restructuring local government in South Africa. Most controversial in this respect was the Municipal Structures Act of 1998 which would facilitate the creation of ‘megacities’ or ‘unicities’ in metropolitan centres such as Johannesburg. This model would vest most powers in these areas in single metropolitan councils—metropolitan substructures would either be abolished or would be reconstituted to perform certain delegated functions. In October 1999, the Constitutional Court ruled that parts of the act were unconstitutional as they vested powers in the minister which the constitution accorded to provincial government.<sup>3</sup> [3 Ibid 29 May 1998, *Business Day* 18 October 1999]

The Truth and Reconciliation Commission (TRC) continued its work during the period under review, notably in respect of processing amnesty applications. In October 1998 it published a lengthy report which held numerous groups and individuals responsible for violations of human rights. The former government was found to have committed the ‘predominant portion’ of violations, in collusion with the Inkatha Freedom Party. The report was widely acclaimed in the press, but most political parties, and some commentators, attacked it.

## KEY POINTS

- South Africa’s second all-race election was held on 2nd June 1999. The African National Congress (ANC) secured some 66.4% of the vote (compared with 62.6% in 1994), followed by the Democratic Party (DP), which secured 9.6% of the vote (1.7% in 1994).
- To participate in the 1999 general election, it was necessary to register as a voter and to be included on a voters’ roll. By the time of the election, some 18.2m people had registered, 72% of those estimated to be eligible to vote.
- The voter turnout for the 1999 general election was some 88% of registered voters.
- The 1999 general election did not produce any changes in provincial governments. The ANC retained control of the seven provinces that it had ruled prior to the election, while the Inkatha Freedom Party (IFP) remained the largest party in KwaZulu-Natal, and the New National Party (NNP) formed a coalition government with the DP in the Western Cape.
- A number of appointments made by the Judicial Service Commission in 1998 reflected a desire to

‘transform’ the judiciary on a racial basis.

- During 1998 the South African Human Rights Commission processed 300 complaints of unfair discrimination from ordinary citizens and 327 from prisoners.
- The South African Human Rights Commission began an investigation into ‘subliminal’ racism in the media after receiving complaints from the Black Lawyers’ Association and the Black Accountants of South Africa.
- In October 1998 the Truth and Reconciliation Commission (TRC) published its report in five volumes.
- Some 1 700 amnesty applications were received by the TRC; some 750 were submitted by members and supporters of the ANC, and 350 by members of the former security forces.
- The TRC’s Committee on Reparation and Rehabilitation recommended that R2.86bn be made available over six years to pay an estimated 22 000 victims of gross human rights violations some R21 700 a year over that period.
- Mr Bulelani Ngcuka was appointed national director of public prosecutions in August 1998.
- In September 1998 a ‘core group’ of South Africa’s municipalities were owed some R11.3bn in unpaid rates and service charges.
- In December 1998 an agreement was concluded between the Congress of South African Trade Unions, the South African Municipal Workers Union, and the South African Local Government Association, in terms of which the private sector could participate in the provision of municipal services if a municipality lacked the necessary capacity to do so.

## **THE GENERAL ELECTION**

A general election was held on 2nd June 1999, in accordance with the 1996 constitution, which stipulated that Parliament and the provincial legislatures would each be elected for a term of five years (with a 90-day period of grace before another election had to be held). The previous election was in April 1994.

## **Preparations for the Election**

### **Allocation of Seats**

According to schedule 3 of the Electoral Act of 1998, one seat in the National Assembly would be allocated for every 100 000 of the population. The number of seats allocated to provincial legislatures

was determined according to the same formula (one seat would be allocated for every 100 000 people who were ordinarily resident in the province), with a minimum of 30 and a maximum of 80 seats in each legislature.<sup>4</sup> [4 Electoral Act no 73 of 1998]

The allocation of seats in the National Assembly and the provincial legislatures by the Independent Electoral Commission (IEC), the body responsible for managing the election, is set out in the following table:<sup>5</sup> [5 *Government Gazette* no 19865, 19 March 1999; *The Star* 18 March 1999]

*Allocation of seats in the National Assembly and provincial legislatures*

Number of seats: 1994

Number of seats: 1999

National Assembly

400

400

Eastern Cape

52

63

Free State

30

30

Gauteng

86

73

KwaZulu-Natal

80

80

Mpumalanga

30

30

North West

34

33

Northern Cape

30

30

Northern Province

40

49

Western Cape

42

42<sup>a</sup>

*Source:* Independent Electoral Commission

a

Although the IEC originally allocated 39 seats to the legislature of the Western Cape, this was increased to 42 on the strength of the constitution of the province, which specified that the provincial legislature would have a minimum of 42 seats.

The size of the National Assembly did not change. The total number of seats allocated to provincial legislatures increased from 424 to 430.

In terms of the 1996 constitution, the National Council of Provinces has 90 members, composed of nine separate delegations (one from each province) of ten each. Each of these delegations has six permanent delegates and four special delegates, the latter including the provincial premier and three others (see *National Council of Provinc*

## Funding

In terms of the constitution and the Public Funding of Represented Political Parties Act of 1997, political parties were entitled to receive public funds. These funds were distributed in proportion to the representation that parties had secured in the previous election. Parties not represented in Parliament or in a provincial legislature would not qualify for such funding. Some R52m was allocated among the parties in 1998/99 (see *Funding for political parties in Parliament* below). The table below shows how this money was divided.<sup>7</sup> [<sup>7</sup> *The Citizen* 19 March 1999; Fax communication from Independent Electoral Commission, 25 October 1999]

### *Amounts allocated to political parties for the 1999 general election*

<i>Party</i>	<i>Amount</i>
African National Congress	R30 897 681
New National Party	R10 481 069
Inkatha Freedom Party	R5 142 284
Freedom Front	R2 151 086



Democratic Party

R1 689 346

Pan-Africanist Congress

R887 938

African Christian Democratic Party

R661 168

Minority Front

R192 428

**Total**

R52 103 000

*Source:* The Citizen; Independent Electoral Commission.

In addition, many businesses indicated that they would provide funds for political parties, although most said that they would fund a range of parties, rather than a single one, 'for the purpose of assisting the cause of dem

## **Voter Registration**

In order to participate in the general election in 1999, it was necessary for all eligible voters to be included on a common voters' roll. This involved applying to the IEC for registration as a voter. The IEC arranged for people to register over three periods. The first round of registration was spread over two weekends in November and December 1998;<sup>9</sup> [<sup>9</sup> *The Star* 30 November, 1 December 1999, *The Citizen* 4 December 1999] the second round was in January 1999;<sup>10</sup> [<sup>10</sup> *The Citizen* 12 December 1999] and the third was in March 1999.<sup>11</sup> [<sup>11</sup> *Sowetan* 4 February 1999]

In February 1999 the chief electoral officer, Professor Mandla Mchunu, said that a voter registration figure of 70% would be acceptable to the IEC.<sup>12</sup> [<sup>12</sup> *The Citizen* 13 February 1999] Of those entitled to vote, some 80% had registered by the time of the general election. (See also *Disputes about Voting Rights* below.)

The following table provides a breakdown of registered voters by age and sex:<sup>13</sup> [13 Fax communication from the Independent Electoral Commission, 27 August 1999]

***Voter registration by age and sex: June 1999***

*Age*

Male

Female

Proportion of total age group registered

***Total***

18–20

361 150

362 872

48.4%

**724 022**

20–30

2 458 073

2 677 929

77.2%

**5 136 002**

30–40

2 082 553

2 435 544

88.2%

**4 518 097**

40-50

1 547 869

1 755 797

96.8%

**3 303 666**

50-60

939 813

1 138 888

99.4%

**2 078 701**

60-70

525 818

869 535

94.6%

**1 395 353**

70-80

274 564

468 112

96.6%

**742 676**

80+

87 542

186 692

97.0%

**274 234**

Total

8 277 382

9 895 369

79.7%

18 172 751

*Source:* Independent Electoral Commission

Some 54% of those who registered were female. Younger people were less likely to register than those in older age groups. Professor Mchunu expressed concern about the apparent apathy of younger people, saying that ‘if the youth are not integrated into the democratic processes, the sustainability of our democracy is in jeopardy’.<sup>14</sup> [<sup>14</sup> *The Citizen* 9 January 1999] A report in the *Sowetan* in January 1999 stated that the reasons for apathy among young people included ignorance of politics; a lack of confidence in the government; and a feeling that young people had been ‘ostracised’ sin

### ***Controversies Surrounding Identity Documents***

In order to register and to vote, potential voters needed to be in possession of a ‘green’ identity document (ID) with a barcode containing the bearer’s identity number. Alternatively, potential voters could register with a temporary registration certificate, which would be issued when an application for an ID was made.<sup>16</sup> [<sup>16</sup> Electoral Act no 73 of 1998] IDs with barcodes had been issued since 1986, but other documents—notably the ‘blue’ identity document, which did not have a barcode on it, and which had

been issued prior to the introduction of the ‘green’ document—had remained valid for purposes of identification. In the general election in 1994 a wide selection of documents had been accepted, including the ‘blue’ identity document, passports, and identity documents issued by the former homeland governments.<sup>17</sup> [<sup>17</sup> *The Star* 10 November 1998, *The Citizen* 17 November 1998]

The view of the government was that the circumstances in 1994 were exceptional, given the relatively recent reintegration of the homelands into South Africa. Allowing only one document to be used in the 1999 general election would reduce the likelihood of electoral fraud. Dr Lindiwe Sisulu, deputy minister of home affairs, said that revelations of widespread fraud in the Department of Welfare (where people claimed welfare payments to which they were not entitled) underlined the necessity of allowing only one form of documentation for the election, since welfare fraud was ‘the direct result of all IDs being used to access government services’ (see also chapter on *Health and Welfare*).<sup>18</sup> [<sup>18</sup> *The Star* 11 September 1998]

However, concerns were raised about the possible effects on the election of the requirement that only one type of ID could be used. Mr Justice Johann Kriegler, chairman of the IEC, said that while the commission had originally supported the use of barcoded IDs to counteract fraud, a study by the Human Sciences Research Council estimated that between 4.7m and 5.3m people did not have barcoded IDs, while roughly half this number did not have any identity documents at all. This suggested that a large proportion of the electorate would be unable to participate in the election.<sup>19</sup> [<sup>19</sup> *Ibid* 10 September 1998]

There was considerable animosity around this issue. Evidence from a survey conducted by the Institute for Democracy in South Africa, Markinor, and the South African Broadcasting Corporation indicated that supporters of the African National Congress were more likely than supporters of opposition parties such as the Democratic Party (DP) and the New National Party (NNP) to be in possession of the required document.<sup>20</sup> [<sup>20</sup> *The Citizen* 11 November 1998]

Both the DP and the NNP initiated court cases to have the decision on IDs overturned.

The NNP argued, in an application before the Cape Provincial Division of the High Court, that the insistence that only barcoded IDs were acceptable was unconstitutional as it would disenfranchise voters.<sup>21</sup> [<sup>21</sup> *Business Day* 8 December 1998, 11 December 1998] The NNP also questioned the ability of the Department of Home Affairs to process applications for IDs at a rate sufficient to meet the demand for them.<sup>22</sup> [<sup>22</sup> *Ibid* 9 February 1999] The NNP’s argument was dismissed. The court ruled that the use of barcoded IDs was reasonable, as this requirement would reduce electoral fraud. It ruled further that sufficient time had been available for people to apply for the documents and that the issue had enjoyed extensive publicity. Those who had not applied for new IDs had in effect disenfranchised themselves, the court held.<sup>23</sup> [<sup>23</sup> *The Citizen* 27 February 1999]

The DP asserted that the barcode requirement was unreasonable and discriminatory as it would penalise particular groups of the population more heavily than others—in particular, it would discriminate against

young people, as well as white, coloured, and Indian voters over the age of 35.<sup>24</sup> [<sup>24</sup> *Business Day* 11 December 1998] The application by the DP, before the Transvaal Provincial Division of the High Court, was also dismissed. The court ruled that voting fights could be limited by the use of barcodes to ensure a free and fair election. It ruled further that since, for historical reasons, South Africans had numerous different IDs, it was 'reasonable for the legislature to choose one form of identification as far as the elections are concerned. Following from this, it is perfectly reasonable to opt for a document which the vast majority (approximately 86.2%) seem to have'. The court added that evidence before it suggested that the Department of Home Affairs had the capacity to make IDs available to all who applied for them.<sup>25</sup> [<sup>25</sup> *The Citizen* 13 March 1999]

## Election Results

The elections for the National Assembly and the nine provincial legislatures were held simultaneously on 2nd June 1999. The final results are set out below.

### National Assembly

A total of 16 parties contested the general election to the National Assembly. The table below gives a breakdown of the parties which contested the election, the number and proportion of votes which each obtained, and the number of seats which each party secured in 1999, compared with 1994.<sup>26</sup> [<sup>26</sup> [Http://www.elections.org.za/natperparty.html](http://www.elections.org.za/natperparty.html), 10 June 1999]

#### *Election results: National Assembly*

Number of votes obtained

Proportion of votes obtained<sup>a</sup>

Allocation of seats

Party

1999

1994<sup>b</sup>

1999<sup>b</sup>

1994<sup>b</sup>

1999

1994

Abolition of Income Tax and Usury Party

10 611

N/A

0.1%

N/A

0

N/A

**African Christian Democratic Party**

228 975

88 104

1.4%

0.5%

6

2

African NationalCongress

10 601 330

12 237 655

66.4%

62.6%

266

252

**Afrikaner Eenheids Beweging**

46 292

N/A

0.3%

N/A

1

N/A

**Azanian People's Organisation**

27 257

N/A

0.2%

N/A

1

N/A

**Democratic Party**

1 527 337

338 426

9.6%



1.7%

38

7

Federal Alliance

86 704

N/A

0.5%

N/A

2

N/A

**Freedom Front**

127 217

424 555

0.8%

2.2%

3

9

Inkatha Freedom Party

1 371 477

2 058 294

8.6%

10.5%

34

43

**Minority Front**

48 277

13 433

0.3%

0.1%

1

0

**New National Party**

1 098 215

3 983 690

6.9%

20.4%

28

82

**Pan-Africanist Congress**

113 125

243 478

0.7%

1.2%

3

5

Government by the People Green Party

9 193

N/A

0.1%

N/A

0

N/A

**Socialist Party of Azania**

9 062

N/A

0.1%

N/A

0

N/A

United Christian Democratic Party

125 280

N/A

0.8%

N/A

3

N/A

**United Democratic Movement**

546 790

N/A

3.4%

N/A

14

N/A

Spoilt votes<sup>c</sup>

251 320

193 122

1.5%<sup>c</sup>

1.0%<sup>c</sup>

—

—

**Total<sup>d</sup>**

16 228 462

19 726 620

100.0%

100.0%

400

400

*Source:* Independent Electoral Commission

a

Calculated as a proportion of the total number of votes obtained by all parties, excluding spoilt votes.

b

Columns exclude parties which failed to gain representation in the 1994 general election, and which did not contest the 1999 general election.

c

Calculated as a proportion of total votes cast.

d

Figures should add up but may not, owing to rounding. Totals for 1994 include parties which contested that election but failed to secure seats.

N/A – Not applicable. These parties did not contest the

The number of votes cast for five parties—the African National Congress (ANC), Freedom Front (FF), Inkatha Freedom Party (IFP), New National Party (NNP), and Pan-Africanist Congress (PAC)—declined compared with the 1994 general election: the number of votes cast for the ANC declined by 1 636 325, the FF by 297 338, the IFP by 686 817, the NNP by 2 885 475, and the PAC by 130 353. The number of votes cast for the African Christian Democratic Party (ACDP) and Democratic Party (DP) increased by 140 871 and 1 188 911 respectively.

Some 88% of registered voters participated in the 1999 general election. Professor Mandla Mchunu, chief electoral officer, said that such a high voter turnout was ‘unprecedented in Africa for second democratic elections’.<sup>27</sup> [<sup>27</sup> *Sowetan* 4 June 1999] However, some 3.6m fewer voters participated in the 1999 general election than in the previous one.

The ANC emerged from the 1999 general election stronger than it had been previously, although it failed to gain a ‘two-thirds’ majority—the proportion of seats that would be needed to amend parts of the constitution (see also *Controversy over amending majority* below). The ANC increased its representation in the National Assembly from 252 seats to 266. There was a difference of some 57 percentage points between voter support for the ANC and its closest rival, the DP. Shortly after the election, the Minority Front (which won one seat) formed an alliance with the ANC.<sup>28</sup> [<sup>28</sup> *The Citizen* 10 June 1999]

The NNP and the IFP both lost seats: in 1994 they secured 82 and 43 seats respectively, and in 1999, 28 and 34. The DP increased its representation from seven to 38. The DP became the official opposition in the National Assembly, replacing the NNP in this role.

## **National Council of Provinces**

Delegates to the National Council of Provinces (NCOP) are elected by the provincial legislatures. Each province returns a delegation of ten people to the NCOP, of whom six are permanent delegates, and four are special delegates, the latter group including the provincial premier. The constitution stipulates that delegations must be constituted to allow for the participation of minority parties ‘in a manner consistent with democracy’.

The table below provides a breakdown by political party and province of the permanent delegates to the NCOP, following the 1999 general election.<sup>29</sup> [<sup>29</sup> Fax communication from the National Council of Provinces, 28 June 1999; Section 61, Constitution of the Republic of South Africa of 1996]

### ***Election results: National Council of Provinces: 1999***

*Party*

Eastern Cape

Free State

Gauteng

KwaZulu-Natal

## Mpumalanga

### African Christian Democratic Party

0

0

0

0

0

### African National Congress

4

4

4

2

5

### Democratic Party

1

1

1

1

1

### Inkatha Freedom Party

0

0

0

2

0

### New National Party

0

1

1

1

0

### United Christian Democratic Party

0

0

0

0

0

### United Democratic Movement

1

0

0



0

0

**Total**

6

6

*Election results: National Council of Provinces: 1999 (continued)*

*Party*

North West

Northern Cape

Northern Province

Western Cape

*Total*

African Christian Democratic Party

0

0

0

1

**1**

African National Congress

4

4

5

2

**34**

Democratic Party

1

0

0

1

**7**

Inkatha Freedom Party

0

0

0

0

**2**

New National Party

0

2

0

2

7

United Christian Democratic Party

1

0

0

0

1

United Democratic Movement

0

0

1

0

2

Total

6

6

6

6

54

Source: National Council of Provinces

Each special delegation consists of the provincial premier and three other MPs, chosen on the basis of particular expertise required for dealing with particular issues before th

## Provincial Legislatures

The seats won by each party in each of the provincial legislatures in the general election in June 1999 are shown in the table below.<sup>31</sup> [<sup>31</sup> [Http://www.elections.org.za/natprov1.html](http://www.elections.org.za/natprov1.html), <http://www.elections.org.za/natprov2.html>, <http://www.elections.org.za/natprov3.html>, <http://www.elections.org.za/natprov4.html>, <http://www.elections.org.za/natprov5.html>, <http://www.elections.org.za/natprov6.html>, <http://www.elections.org.za/natprov7.html>, <http://www.elections.org.za/natprov8.html>, <http://www.elections.org.za/natprov9.html>, 10 June 1999]

### *Seat allocations in the provincial legislatures: 1999<sup>a</sup>*

*Party*

Eastern Cape

Free State

Gauteng

KwaZulu-  
Natal

Mpumalanga

African Christian Democratic Party

0

0

1

1

0

African National Congress

47

25

50

32

26

Democratic Party

4

2

13

7

1

Federal Alliance

0

0

1

0

0

Freedom Front

0

1

1

0

1

### Inkatha Freedom Party

0

0

3

34

0

### Minority Front

0

0

0

2

0

### New National Party

2

2

3

3

1

## Pan-Africanist Congress

1

0

0

0

0

## United Christian Democratic Party

0

0

0

0

0

## United Democratic Movement

9

0

1

1

1

## **Total**

63

3

*Seat allocations in the provincial legislatures: 1999<sup>a</sup> (continued)*

North West

Northern Cape

Northern Province

Western Cape

*Total in all provinces*

African Christian Democratic Party

0

0

1

1

**4**

African National Congress

27

20

44

18

**289**

Democratic Party

1



1

1

5

35

Federal Alliance

0

0

0

0

Provincially, the NNP lost its majority in the Western Cape, and several seats in various provincial legislatures. The DP increased its representation in four of the five provincial legislatures where it had been represented since 1994, and gained seats in four provincial legislatures (Free State, Mpumalanga, North West, and Northern Province) where it had not been represented before. The IFP remained the largest party in KwaZulu-Natal (34 seats in the provincial legislature), but failed to gain an outright majority in the province, where it was closely followed by the ANC (32 seats).

## Problems in the General Election

There were few reports of irregularities or serious problems in the election, although some instances were reported. They included:

- voters in some rural areas having to travel long distances to polling stations;<sup>32</sup> [<sup>32</sup> *The Star* 3 June 1999]
- inadequate supplies of voting materials such as ballot papers at some polling stations;<sup>33</sup> [<sup>33</sup> *Business Day*, *The Star* 3 June 1999]
- a few isolated incidents of attempted coercion of voters;<sup>34</sup> [<sup>34</sup> *Beeld* 3 June 1999]
- an inability at some polling stations to process voters fast enough to have finalised voting by the 9pm cutoff point. Several polling stations therefore remained open later;<sup>35</sup> [<sup>35</sup> *Business Day*, *The Star* 3 June 1999]

and

- inadequate facilities, such as electricity, at some polling stations. In some cases, candles or vehicles' headlights had to be used for illumination at night.

A survey conducted by the Human Sciences Research Council (HSRC) among some 11 140 voters at 214 polling stations found that 96% of voters believed the election to have been 'free and fair'. Only 3% thought that the election was not free and fair, while 1% did not express an opinion. Dr Yvonne Muthien, executive director of the HSRC, said that a 'striking feature' of the survey was that it revealed broad agreement on the integrity of the election across racial and party political lines.<sup>36</sup> [<sup>36</sup> [http://www.hsrc.ac.za/corporate/me7dia/1999/jun06\\_1.html](http://www.hsrc.ac.za/corporate/me7dia/1999/jun06_1.html), 8 June 1998]

The survey found that some 68% of respondents felt that there were no problems with the election. Among the problems that were reported were long queues, the inconvenience of having to register, difficulties in obtaining IDs, and names not appearing on the voters' roll. Some 79% of respondents said that they were able to reach their voting stations from their homes in fewer than 30 minutes.<sup>37</sup> [<sup>37</sup> Ibid]

Only 1.2% of respondents reported having been intimidated to support a particular party. Some three quarters of these said that they had been intimidated by family and friends, while the remainder said that it had been done by agents of political parties. Most voters (85%) believed that their votes were secret, compared with 12% who did not believe this, and 3% who were unsure.<sup>38</sup> [<sup>38</sup> [http://www.hsrc.ac.za/corporate/media/1999/jun06\\_1.html](http://www.hsrc.ac.za/corporate/media/1999/jun06_1.html), 8 June 1998]

## **THE NATIONAL CONSTITUTION**

### **Implementation of the 1996 Constitution**

The national constitution came into effect on 4th February 1997. (For details of its terms, see 1996/97 Survey, pp524–544) It has subsequently been amended by Parliament.

### **Amendments to the Constitution**

In terms of the constitution, any bill amending provisions other than the bill of rights may be passed if two thirds of the members of the National Assembly support it. If the bill deals with a provincial matter, at least six of the provinces in the National Council of Provinces must support it. Any amendment to the founding provisions of the constitution, or to the provision relating to constitutional amendments, requires the support of three quarters of the members of the National Assembly, as well as the support of six provinces in the National Council of Provinces.<sup>39</sup> [<sup>39</sup> Section 74, Constitution of the Republic of South Africa of 1996]

Parliament amended the constitution twice during 1998. The first set of amendments provided for the

following.<sup>40</sup> [<sup>40</sup> Constitution of the Republic of South Africa Amendment Act, no 65 of 1998, *Government Gazette* no 19321, 7 October 1998]

- extending the terms of municipal councils from four to five years;
- providing for the designation of alternate members for the Judicial Service Commission;
- changing the name of the Human Rights Commission to the South African Human Rights Commission;
- adjusting the powers of the Public Service Commission; and
- modifying transitional arrangements in respect of local government.

The second set of amendments passed in 1998 required national legislation to govern the establishment of municipalities which straddled municipal boundaries. It further prohibited electoral wards from straddling municipal boundaries.<sup>41</sup> [<sup>41</sup> Constitution of the Republic of South Africa Amendment Act, no 87 of 1998, *Government Gazette* no 19411, 30 October 1998]

During early 1999 the constitution was amended to give the president and provincial premiers the right to proclaim an election before the expiry of the term of the National Assembly and provincial legislatures.<sup>42</sup> [<sup>42</sup> Constitution of the Republic of South Africa Amendment Act, no 2 of 1999, *Government Gazette* no 19861, 19 March 1999; Constitution of the Republic of South Africa Amendment Act, no 3 of 1999, *Government Gazette* no 19862, 19 March 1999]

## Controversy Over Amending Majority

Any bill amending the bill of rights requires the support of two thirds of the members of the National Assembly and at least six of the provinces in the National Council of Provinces.<sup>43</sup> [<sup>43</sup> Section 74, Constitution of the Republic of South Africa of 1996] Prior to the 1999 election a controversy arose over the majority required to amend the constitution.

In April 1998 the president, Mr Nelson Mandela, said that the African National Congress (ANC) would not make unilateral changes to the constitution if it attained a two-thirds majority in the election. Mr Peter Mokaba, the deputy minister of environmental affairs and tourism, said at a Freedom Day rally in the Eastern Cape a week later that the ANC needed a two-thirds majority so that it could change the constitution.<sup>44</sup> [<sup>44</sup> *The Citizen* 29 April 1998]

In May 1998 the secretary general of the ANC, Mr Kgalema Motlanthe, stated that the party aimed to win two thirds of the electorate's vote in the 1999 election so that it could review the power held by

independent institutions, including the judiciary, the auditor general, and the South African Reserve Bank. The party aimed to govern ‘unfettered by constraints’, he said.<sup>45</sup> [<sup>45</sup> *Sunday Times* 3 May 1998] Mr Motlanthe subsequently rejected opposition parties’ fears regarding this aim as ‘two thirds *gevaar*’.<sup>46</sup> [<sup>46</sup> *Sowetan* 11 May 1998] Mr Jeremy Cronin, a member of the national executive committee (NEC) of the ANC and deputy secretary general of the South African Communist Party, said shortly after Mr Motlanthe’s statements that the NEC had taken a decision not to campaign for a two-thirds majority.<sup>47</sup> [<sup>47</sup> *Sunday Tribune* 21 March 1999] However, in November 1998 Mr Mandela said the ANC wanted a two-thirds majority to ensure ‘we are not interfered with by Mickey Mouse parties who have no commitment to democracy’.<sup>48</sup> [<sup>48</sup> *The Star* 27 November 1998] In March 1999 the national chairman of the ANC, Mr Patrick Lekota, said at an election rally in Grahamstown (Eastern Cape) that the ANC needed an overwhelming majority so that it could ‘correct past imbalances’ (see also *Election results* above).<sup>49</sup> [<sup>49</sup> *Business Day* 29 March 1999]

Opposition parties in their election campaigns in 1999 continued to suggest that the ANC wished to be able to make fundamental changes to the constitution. The minister of provincial affairs and constitutional development, Mr Mohammed Valli Moosa, said in March 1999 that amendments to ‘fundamentals’ in the constitution, such as the rule of law, required a three-quarters rather than a two-thirds majority.<sup>50</sup> [<sup>50</sup> *Ibid* 19 March 1999] The chief executive of the South African Institute of Race Relations, Mr John Kane-Berman, noted in a letter to the press that while this might be correct, the bulk of the constitution could be amended by a two-thirds majority.<sup>51</sup> [<sup>51</sup> *Ibid* 24 March 1999]

## **Implementation, Threats, Enforcement, and Interpretation of the Bill of Rights**

For discussion of amendments to the bill of rights, which form part of the constitution, see *Controversy over Amending Majority* above.

The Constitutional Court handed down judgement in some 80 cases between 1995 and 1998.<sup>52</sup> [<sup>52</sup> [www.law.wits.ac.za/judgements](http://www.law.wits.ac.za/judgements), 6 August 1999] A number of these dealt with provisions of the bill of rights. The various divisions of the High Court were also approached for interpretation and enforcement of the bill of rights, while various cabinet ministers expressed views on it.

Section 28(1) of the Medicines and Related Substances Control Act of 1965 as amended (most recently in 1997) provided for powers of entry, search, and seizure by inspectors appointed under the act. The Constitutional Court found in May 1998 that this provision was invalid as it violated the right to privacy.<sup>53</sup> [<sup>53</sup> *Ministry v Interim National Medical and Dental Council and others CCT 13/97*]

Section 20 of the Drugs and Drug Trafficking Act of 1992 provided for a presumption of the offence of drug possession where any drug was proved to be found in the immediate vicinity of an accused person.

In May 1998 this was set aside by the Constitutional Court on the grounds that an accused person has the right to be presumed innocent.<sup>54</sup> [<sup>54</sup> *State v Mello* CCT 5/98]

In July 1998 the Constitutional Court declined to confirm a decision by the Eastern Cape Division of the High Court that provisions of the Occupational Injuries and Diseases Act of 1993 violated the right to equality. The act prevented employees from claiming common law damages from their employers.<sup>55</sup> [<sup>55</sup> *Jooste v Score Supermarket Trading (Pty) Ltd* CCT15/98]

The Transvaal Provincial Division of the High Court ruled in October 1998 that foreign-trained doctors should be able to enter private practice without any restrictions, as the bill of rights provided for the right to equality and the right to free economic activity. (See also *South African Human Rights Commission* below.)<sup>56</sup> [<sup>56</sup> *Business Day* 9 October 1998]

In the same month the Constitutional Court ruled that sections of the Harmful Business Practices Act of 1988, which gave powers of search and seizure to an investigating authority, were invalid as they infringed the right to privacy.<sup>57</sup> [<sup>57</sup> *Ibid* 28 October 1998]

The Durban and Coast Local Division of the High Court ruled in October 1998 that the wide discretion accorded the minister of home affairs in dealing with aliens in terms of the Aliens Control Act of 1991 had to be exercised in terms of the bill of rights. The right to fair administrative procedures, therefore, applied to non-citizens in this context, the court found. The right required administrative action to be exercised in a manner that was lawful, reasonable, and procedurally fair. Anyone adversely affected by a decision had to be given written reasons for the decision.<sup>58</sup> [<sup>58</sup> *Sunday Times* 25 October 1998]

In October 1998 the Constitutional Court confirmed a judgement of the Witwatersrand Local Division of the High Court which invalidated the common law offence of sodomy and related statutory offences on grounds of equality.<sup>59</sup> [<sup>59</sup> *The Citizen* 10 October 1998; *National Coalition for Gay and Lesbian Equality and another v Minister of Justice and others* CCT 11/98]

In November 1998 the Defence Act of 1957, which barred union membership in the armed forces, was successfully challenged by the South African Defence Force Union. Mr Justice Willie Hartzenberg struck the prohibition down in the Transvaal Provincial Division of the High Court on the grounds that it was unconstitutional, subject to the confirmation of this ruling by the Constitutional Court.<sup>60</sup> [<sup>60</sup> *Business Day* 26 November 1998, 9 March 1999] This ruling was confirmed by the Constitutional Court. The court gave the defence force three months to draft labour regulations for the military, after which trade unions would be free to organise among military personnel.<sup>61</sup> [<sup>61</sup> *Ibid* 27 May 1999; <http://www.law.wits.ac.za/judgements/1999/sandusum.html>, 26 August 1999]

In December 1998 the Cape Provincial Division of the High Court ruled that provisions of the same act under which courts martial were convened, were unconstitutional in that they infringed the right to a fair

trial. This challenge was brought by the Freedom of Expression Institute.<sup>62</sup> [62 *Sunday Times* 20 December 1998] At the time of writing, this ruling was awaiting confirmation by the Constitutional Court.<sup>63</sup> [63 South African Defence Force Union v Minister of Defence and another CCT 27/98; Freedom of Expression Institute and others v President of the Ordinary Court Martial, Lieutenant Colonel Mardon NO and others CCT 5/99]

The Cape Provincial Division of the High Court decided in February 1999 that the Aliens Control Act of 1991 was unconstitutional in that it permitted the issue of an immigration permit only to spouses of a permanent South African resident. The act therefore discriminated unfairly on the grounds of sexual orientation against same-sex life partners. At the time of writing the decision was awaiting confirmation by the Constitutional Court.<sup>64</sup> [64 National Coalition for Gay and Lesbian Equality v Minister of Home Affairs CCT 10/99]

In September 1998 the minister for agriculture and land affairs, Mr Derek Hanekom, dismissed a call by land-rights lobbyists for property rights in the bill of rights to be repealed. He confirmed the government's commitment to a market-based approach to land reform.<sup>65</sup> [65 *The Star* 18 September 1998]

Various groups threatened to challenge the constitutionality of various new acts during the period under review. Opposition parties maintained that the Tobacco Products Control Amendment Act of 1999 violated the right to freedom of expression and freedom of association. The act banned cigarette advertising and the promotion of sporting events by tobacco companies (see also chapter on *Health and Welfare*).<sup>66</sup> [66 *Business Day* 22 October 1998] The Freedom of Commercial Speech Trust wanted to challenge the legislation in court,<sup>67</sup> [67 *Ibid* 19 February 1999] although at the time of writing the trust had not done so. Earlier the president, Mr Nelson Mandela, had referred the bill back to Parliament before signing it, as he had concerns regarding its constitutionality. The parliamentary portfolio committee reconvened to consider, among other things, what constituted a private home and when smoking should be allowed there, and the definition of organised activities which would not be allowed to receive money from tobacco companies.<sup>68</sup> [68 *Ibid* 24 February 1999] No major changes were made to the act before it was finally passed.

Other new acts which political parties threatened to challenge on the basis that they infringed the bill of rights were the Criminal Procedure Second Amendment Act of 1997, the Medical Schemes Act of 1998, the Medicines and Related Substances Control Amendment Act of 1997, and the Prevention of Organised Crime Act of 1998 (see also chapters on *Health and Welfare* and *Security*).<sup>69</sup> [69 *Ibid* 7 December 1998]

In terms of the constitution, where the High Court made an order of invalidity on a constitutional basis, the Constitutional Court had to confirm that order.<sup>70</sup> [70 Section 167(5), Constitution of the Republic of South Africa of 1996]

## Disputes About Voting Rights

During 1999 the Constitutional Court heard a number of matters relating to the 1999 election. Among

other things the court found that:<sup>71</sup> [<sup>71</sup> [www.law.wits.ac.za/archive.html](http://www.law.wits.ac.za/archive.html), 27 July 1999]

- prisoners had the right to vote; and
- it was not unreasonable for the state to require its citizens to possess a barcoded identity document in order to register for the election.

## PROVINCIAL CONSTITUTIONS

The national constitution makes provision for provincial governments to draw up their own constitutions. Only two provinces, KwaZulu-Natal and the Western Cape, have sought to exercise this power.

### Kwazulu-Natal

In September 1996 a draft constitution approved by the provincial legislature was rejected by the Constitutional Court (see 1996/97 Survey, pp551–553). Subsequent negotiations between the ruling party in the province, the Inkatha Freedom Party (IFP), and the African National Congress (ANC) failed to produce a constitution (see 1997/98 Survey, p466). In September 1998 the IFP said it would be futile to adopt a provincial constitution before the national constitution was amended to provide for a federal provincial system.<sup>72</sup> [<sup>72</sup> *Business Day* 11 September 1998] At the time of writing the province had not adopted a constitution.

### Western Cape

The Constitutional Court certified the Western Cape's constitution in November 1997 after certain revisions had been made (see 1997/98 Survey, p466). It determined that the Western Cape's legislature should have 42 members.<sup>73</sup> [<sup>73</sup> *Ibid* 18 March 1999] The Independent Electoral Commission had determined that after the June 1999 election, the Western Cape provincial legislature should have 39 members. The premier of the Western Cape took the matter to the Constitutional Court, which ruled that the provincial constitution applied. At the time of writing the court had not supplied reasons for its decision.<sup>74</sup> [<sup>74</sup> Premier of the Western Cape and another v Electoral Commission and another CCT 19/99]

## PARLIAMENT

### The National Assembly

On the last Friday of its 1998 session Parliament faced an order paper of 59 items, including 32 bills, 16 reports, and several votes and motions. The rush to push through important laws in the last few days of Parliament was criticised by opposition parties and in the press as lacking in proper consultation and

transparency.<sup>75</sup> [<sup>75</sup> *The Citizen* 12 November 1998]

The Freedom of Commercial Speech Trust said that the minister of health, Dr Nkosazana Zuma, had not allowed sufficient time for proper consultation and consideration of submissions on the Tobacco Products Amendment Bill, which sought to ban cigarette advertising and sponsorship.<sup>76</sup> [<sup>76</sup> *Ibid* 16 October 1998] (See also *Implementation, threats, enforcement and interpretation of the bill of rights* above.) Dr Zuma was also criticised in the press for introducing the bill in the National Council of Provinces rather than in the National Assembly. It was speculated that this was a deliberate tactic to ‘push’ the bill through as hearings in the National Council of Provinces were less well reported.<sup>77</sup> [<sup>77</sup> *Business Day* 9 October 1998]

In October 1998 Business South Africa sought an interdict against Dr Zuma and the parliamentary portfolio committee on health to prevent them from considering the Medical Schemes Bill until the National Economic Development and Labour Council (Nedlac) had considered it. The basis of the interdict was that, owing to the bill’s impact on employers, it was necessary to submit it first to Nedlac for consideration.<sup>78</sup> [<sup>78</sup> *Ibid*] The Cape Provincial Division of the High Court dismissed the application.<sup>79</sup> [<sup>79</sup> *Ibid* 23 October 1998] The parliamentary portfolio committee was also criticised for allocating only two days for public comment on the bill.<sup>80</sup> [<sup>80</sup> *Ibid* 7 May 1999]

During 1998 MPs were criticised for failing to attend meetings of Parliament. The African National Congress (ANC) introduced a computer record and swipe card system in June 1998 to attempt to enforce attendance of its members.<sup>81</sup> [<sup>81</sup> *The Star* 10 June 1998] In October 1998 the National Assembly approved a code of ethics which compelled MPs to disclose their financial affairs.<sup>82</sup> [<sup>82</sup> *Business Day* 7 October 1998]

In 1998 MPs complained of a lack of research and support resources. A lack of direction and organisation resulted in millions of rands not being utilised for these resources, they said. Of the R19m given to Parliament by the European Union (EU) for this purpose in 1997, only 8% was spent. In 1998 some R30m was made available by the EU, but by the end of April 1998 only 3% had been spent.<sup>83</sup> [<sup>83</sup> *Ibid* 5 June 1998]

In August 1999 the Supreme Court of Appeal in Bloemfontein ruled that the suspension from Parliament of Ms Patricia de Lille MP (PAC) was void. The chief justice, Mr Justice Ismail Mahomed, said that the constitution was supreme in the country, and that no institution, including Parliament, could act in a manner inconsistent with it. He said that the possibility that an MP could be suspended from Parliament for something said in Parliament could infringe the constitutional guarantee of freedom of speech in Parliament.<sup>84</sup> [<sup>84</sup> *Beeld* 27 August 1999]

## **The National Council of Provinces**

In 1998/99 the National Council of Provinces (NCOP) was chaired by Mr Patrick Lekota of the ANC.



Mr Lekota ruled in March 1998 that the NCOP would not debate the Adjustments Appropriation Bill until cabinet ministers were present to answer questions.<sup>85</sup> [<sup>85</sup> *Business Day* 2 April 1998] He also proposed that the NCOP take over the task of conducting public hearings on matters of provincial interest, as such hearings fell within the house's competence.<sup>86</sup> [<sup>86</sup> *Ibid*] At the time of writing the new Parliament had not adopted a policy on the issue.

A draft report published in April 1998 by consultants to the European Union's parliamentary support programme found that many members of provincial legislatures did not read national legislation on which they had to make decisions. Many also did not understand how the NCOP worked.<sup>87</sup> [<sup>87</sup> *The Citizen* 2 April 1998] A conference was held in May 1998 to discuss the role of the NCOP. The deputy president, Mr Thabo Mbeki, said at the conference that the provinces were not using the opportunities provided by the NCOP to participate in formulating national policy.<sup>88</sup> [<sup>88</sup> *Ibid* 9 May 1998]

A debate over a Liquor Bill saw differences between the NCOP and the National Assembly override party political differences. The bill sought to legislate in an area of exclusive provincial competence. Members of the NCOP viewed this bill as unwarranted interference in provincial affairs. For the first time it appeared that the lengthy mediation process provided for in the constitution in the event that the two houses are unable to agree, might be needed. This was, however, avoided by the National Assembly concurring with amendments made by the National Council of Provinces.<sup>89</sup> [<sup>89</sup> *Business Day* 5 November 1998] The president, Mr Nelson Mandela, subsequently referred the bill to the Constitutional Court before signing it. The court was to determine the basis on which central government could legislate in areas of exclusive provincial competence.<sup>90</sup> [<sup>90</sup> *Ibid* 9 March 1999] At the time of writing the court had not decided the issue.<sup>91</sup> [<sup>91</sup> *In Re: Constitutionality of the Liquor Bill [B131B-98] CCT 12/99*]

## THE EXECUTIVE

### The Cabinet

The Presidential Review Commission was appointed in 1996 to ensure co-ordination between government departments. It published its report on *Developing a Culture of Good Governance* in May 1998 (for details of its recommendations, see 1997/98 Survey, p469). In October 1998 it was reported that some of the commission's suggestions would be implemented before the 1999 election to assist the transfer of power from Mr Nelson Mandela to Mr Thabo Mbeki. These included a reduction in the number of ministries.

However, in June 1999 Mr Mbeki announced a cabinet which did not take into account the recommendations of the commission in this regard—he appointed 27 ministers. In addition, 13 deputy ministers were appointed. Mr Mandela's cabinet had consisted of 25 ministers. There were also 15 deputy ministers.<sup>92</sup> [<sup>92</sup> *Business Day* 17 June 1999] When asked why he had not implemented the proposals of the Presidential Review Commission, Mr Mbeki said work in this area was continuing. 'When it is

finished, we will decide which of the recommendations we will introduce. Quite a lot has already been implemented,' he said.<sup>93</sup> [<sup>93</sup> Ibid 18 June 1999] Mr Mbeki appointed the following ministers after the June general election:<sup>94</sup> [<sup>94</sup> Ibid; [www.gov.za/ministry/index.html](http://www.gov.za/ministry/index.html), 27 June 1999]

- Ms Thoko Didiza, minister for agriculture and land affairs;
- Mr Patrick Lekota, minister of defence;
- Dr Manto Tshabalala-Msimang, minister of health;
- Ms Phumzile Mlambo-Ngcuka, minister of minerals and energy;
- Dr Ivy Matsepe-Cassaburi, minister of communications;
- Dr Essop Pahad, minister in the office of the president;
- Mr Ngconde Balfour, minister of sport and recreation;
- Mr Ronnie Kasrils, minister of water affairs and forestry;
- Mr Joe Nhlanhla, minister of intelligence;
- Professor Kader Asmal, minister of education;
- Mr Mohammed Valli Moosa, minister of environmental affairs and tourism;
- Dr Nkosazana Dlamini-Zuma, minister of foreign affairs;
- Mr Penuell Maduna, minister of justice and constitutional development;
- Mr Ben Skosana, minister of correctional services;
- Chief Mangosuthu Buthelezi, minister of home affairs;
- Dr Ben Ngubane, minister of arts, culture, science, and technology;
- Mr Sydney Mufamadi, minister for provincial and local government;
- Mr Jeff Radebe, minister for public enterprise;

- Ms Geraldine Fraser-Moleketi, minister for the public service and administration;
- Ms Stella Sigcau, minister of public works;
- Mr Steve Tshwete, minister for safety and security;
- Mr Dullah Omar, minister of transport;
- Dr Zola Skweyiya, minister for welfare and population development;
- Mr Trevor Manuel, minister of finance;
- Ms Sankie Mthembi-Mahanyele, minister of housing;
- Mr Alec Erwin, minister of trade and industry; and
- Mr Membathisi ('Shepherd') Mdladlana, minister of labour.

Members of the Inkatha Freedom Party (IFP) were included in the cabinet, although Mr Mbeki was not mandated to do so in terms of the constitution (in contrast to the transitional arrangements following the 1994 election).

With the exception of Chief Mangosuthu Buthelezi, Dr Ben Ngubane, and Mr Ben Skosana, all members of the cabinet were members of the African National Congress (ANC). According to the South African Communist Party (SACP), seven ministers were members of the SACP. These included Mr Ronnie Kasrils, Dr Essop Pahad, Mr Sydney Mufamadi, Mr Jeff Radebe, Ms Geraldine Fraser-Moleketi, and Mr Alec Erwin. The identity of the seventh member of the SACP in the cabinet was not known at the time of writing.<sup>95</sup> [<sup>95</sup> [Htlp://www.Sacp.org.za/pr/1999/ pr0719. html](http://www.Sacp.org.za/pr/1999/pr0719.html), 11 September 1999]

## **The Judiciary Vs the President**

In March 1998 the president, Mr Nelson Mandela, was compelled to appear before the Transvaal Provincial Division of the High Court. He was subpoenaed to answer questions regarding his appointment of the Commission of Inquiry into Alleged Racism and Corruption within the South African Rugby Football Union (the Browde commission). (See 1997/98 Survey, pp469–470.) In his judgement Mr Justice Willem de Villiers found that Mr Mandela had not applied his mind in deciding to convene the inquiry. The court found in favour of the South African Rugby Football Union (Sarfu). Judge de Villiers accordingly ordered that the commission of inquiry be set aside.<sup>96</sup> [<sup>96</sup> *Business Day* 26 February 1999, *The Star* 13 August 1998]

The president appealed directly to the Constitutional Court, which ruled in December 1998 that the case concerned the constitutional validity of an executive order. The matter could therefore be brought directly to the Constitutional Court rather than first to the Supreme Court of Appeal.<sup>97</sup> [<sup>97</sup> *Business Day* 3 December 1998] At the hearing of the appeal in May 1999 Sarfu brought an application asking for four Constitutional Court judges to recuse themselves on the basis of bias in favour of Mr Mandela. The application was refused.<sup>98</sup> [<sup>98</sup> *Ibid* 13 May 1999] The court later set aside the ruling by Judge de Villiers. It said that Mr Mandela had acted constitutionally when he appointed the commission. It also found that he had considered the need for the commission carefully. The court added that when the president's testimony was needed, it was necessary to consider 'the need to preserve the dignity and status of the office and an understanding of the implications of his busy schedule'.<sup>99</sup> [<sup>99</sup> *The Citizen* 11 September 1999, *Business Day* 13 September 1999]

## PROVINCIAL POWERS

During the period under review there were a number of instances when the issue of provincial powers was raised.

In March 1999 the deputy president, Mr Thabo Mbeki, said at a conference on intergovernmental relations that South Africa's provincial system of nine provinces needed to be reviewed to assess its strengths and weaknesses. There were serious concerns about the state of provincial administration. 'This is underscored by the instances of financial crisis and the failure of delivery institutions which we have experienced over the last five years,' Mr Mbeki said. He added that the structure and powers of the provincial system, and even the number of provinces, needed to be reviewed.<sup>100</sup> [<sup>100</sup> *Business Day* 30 March 1999]

In April 1999 the leader of the Inkatha Freedom Party, Chief Mangosuthu Buthelezi, said more provincial government powers were needed to strengthen the diverse customs, traditions, and chosen way of life of communities in South Africa. 'Too much money is spent on the top layers of government, while too little translates into actual services and products rendered to communities,' he said. He added that too much money was spent by government to run itself, rather than on services for communities.<sup>101</sup> [<sup>101</sup> *Ibid* 12 April 1999]

In May 1999 the African National Congress (ANC) announced it was considering expanding the powers of municipalities and reducing those of the provinces. Provincial powers would be reviewed thoroughly after the election, it said.<sup>102</sup> [<sup>102</sup> *Sunday Times* 16 May 1999] At the time of writing this had not occurred. The minister of education, Professor Sibusiso Bengu, said in June 1998 that the constitution should be amended to give central government a bigger say in allocating the education budget of the provinces. (In terms of the constitution, provincial budgets were a provincial competency.) He blamed the provinces for allocating their entire education budgets to teacher salaries.<sup>103</sup> [<sup>103</sup> *The Star* 3 June 1998] (See also chapter on *Education*.) At the time of writing, no changes had been made in this regard. The new minister of education, Professor Kader Asmal, said in June 1999 that he did not believe the constitution needed to

be amended for this purpose.<sup>104</sup> [<sup>104</sup> Media briefing, minister of education, 29 June 1999]

The national executive committee (NEC) of the ANC announced in August 1998 that the chairman of its provincial general council would no longer automatically become premier of a province in which the ANC was the majority party. In future the NEC would choose premiers.<sup>105</sup> [<sup>105</sup> *Business Day* 24 August 1998] The decision was criticised by political parties and by the press as a symptom of an ANC tendency to centralise power. The ANC denied this and said the system was implemented in order to avoid ‘unnecessary strife’ among ANC leaders in the distribution of positions of power.<sup>106</sup> [<sup>106</sup> *Ibid* 18 August 1998]

The constitution empowered provinces to levy their own taxes if enabling legislation was put in place. In October 1998 the Financial and Fiscal Commission recommended that a provincial surcharge on income taxes be levied, to be collected by the South African Revenue Service. The Department of Finance did not follow this recommendation but asked the Commission of Inquiry into Certain Aspects of the Tax Structure of South Africa (the Katz commission) to investigate the issue. The Katz commission was critical of the recommendation and instead proposed a fuel levy for the provinces, which would allow provinces to introduce a levy on all fuel sold.<sup>107</sup> [<sup>107</sup> *Ibid* 20 October 1998] Neither proposal had been adopted at the time of writing. (See also chapter on *The Economy*.)

In November 1998 the Western Cape government said it would challenge the Liquor Bill in the Cape Provincial Division of the High Court. The registration system established by the bill impinged on the exclusive provincial function of liquor licensing, the province contended.<sup>108</sup> [<sup>108</sup> *The Citizen* 5 November 1998] The president, Mr Nelson Mandela, subsequently referred the bill to the Constitutional Court (see *National Council of Provinces* above). At the time of writing the court had not made a decision.<sup>109</sup> [<sup>109</sup> In Re: Constitutionality of the Liquor Bill [B131B-98] CCT 12/99]

The Western Cape government challenged the constitutionality of the Public Service Laws Amendment Act of 1998 in September 1998, on the grounds that it would result in a reduction of the powers of premiers, and fragment provincial administration. The act sought to make national department heads rather than provincial directors general responsible for efficient departmental administration.<sup>110</sup> [<sup>110</sup> *Business Day* 23 September 1998] The court upheld most provisions of the act, but struck down a section of the act which empowered the minister of public service and administration to transfer functions from a provincial to a national department without the consent of the premier (see *Public Service Commission* below).

The Western Cape government also challenged the constitutionality of the Local Government: Municipal Structures Act of 1998 in the Constitutional Court during 1999. The province maintained the act encroached on a province’s legislative power to determine types of municipalities. At the time of writing the court had not decided the matter.<sup>111</sup> [<sup>111</sup> Executive Council of the Province of the Western Cape v Minister for Provincial Affairs and Constitutional Development and another CCT 15/99]

## THE JUDICIARY

The judiciary was criticised on a number of occasions during the period under review. Some judges resigned in protest against political interference and ‘transformation’ of the judiciary. However, certain judgements reflected the judiciary’s independence of government.

The Truth and Reconciliation Commission report, published in October 1998, found that the judiciary during the years of apartheid adhered to race-based systems, colluded with the police regarding the torture of detainees, and produced the highest capital punishment rate in the world (see *Truth and Reconciliation Commission* below). The commission recommended that the racial and gender composition of the judiciary be addressed urgently, and that magistrates be appointed from private practice (see also *Truth and Reconciliation Commission* below).<sup>112</sup> [<sup>112</sup> *Mail & Guardian* 13 November 1998]

The composition of the Judicial Service Commission (JSC) was criticised by the outgoing judge president of the Transvaal Provincial Division of the High Court, Mr Justice Frederick (Frikkie) Eloff, at the annual general meeting of the Law Society of the Transvaal in November 1998. Judge Eloff said that it needed ‘more lawyers and fewer politicians’. The JSC had a ‘real problem’ because pressure for it to ‘transform’ the bench was mounting, but few black candidates were available, he said.<sup>113</sup> [<sup>113</sup> *Business Day* 2 November 1998] Mr Anthony Wilson, a member of the Johannesburg bar, said that government interference in the appointment of judges was ‘unprecedented’.<sup>114</sup> [<sup>114</sup> *Ibid* 22 October 1998]

A number of appointments were made by the president on the recommendation of the JSC during the period under review:

- Mr Justice Vuka Tshabalala was appointed deputy judge president in the Natal Provincial Division of the High Court in October 1998. Prior to his appointment, 14 High Court judges made a submission to the JSC in which they said that Mr Justice Willem Booysen was the best candidate for the position. Judge Tshabalala would not enjoy their support as he lacked the necessary experience, they said.<sup>115</sup> [<sup>115</sup> *The Citizen* 15 October 1998] A number of these judges retracted this statement after Judge Tshabalala’s appointment;
- Mr Justice Bernard Ngoepe was made judge president of the Transvaal Provincial Division of the High Court in October 1998. Mr Justice Piet van der Walt, deputy judge president in that division, who had been the other candidate, resigned;<sup>116</sup> [<sup>116</sup> *Sunday Times* 18 October 1998]
- Mr Justice Mohammed Navsa was appointed judge president of the Witwatersrand Local Division of the High Court in October 1998. The president of the Labour Court, Mr Justice John Myburgh, who had been a candidate for the position, resigned from the bench. He said he had been assured that he would be appointed during hearings for the position of judge president in the Transvaal Provincial Division;<sup>117</sup> [<sup>117</sup> *Business Day* 30 November 1998]

- Mr Justice Edwin King was appointed judge president in the Cape Provincial Division of the High Court in October 1998. Mr Justice John Hlope had been mooted for the post but was not appointed. It was speculated in the press that Judge Hlope's finding in favour of Ms Patricia de Lille MP (PaAfricanist Congress) in her case against the speaker of Parliament had counted against him (see 1997/98 Survey, p516);<sup>118</sup> [<sup>118</sup> *Sunday Times* 18 October 1998] and

- Mr Justice Sandile Ngcobo was appointed to the Constitutional Court in June 1999. Mr Justice Edwin Cameron, described by some of his peers as 'the brightest legal mind of his generation', failed to be appointed. The JSC had recommended both candidates.<sup>119</sup> [<sup>119</sup> *Mail & Guardian* 11 June 1999]

In December 1998 Judge van der Walt of the Transvaal Provincial Division of the High Court refused bail to three cadres of the African National Congress (ANC) (the 'Eikenhof three') who were convicted and sentenced in 1994 for the murder of a woman and two children at Eikenhof near Johannesburg. The three brought an appeal on the basis of new evidence which suggested that the PAC was responsible for the murders.<sup>120</sup> [<sup>120</sup> *The Citizen* 12 December 1998] Prior to the hearing of the appeal, Mr Bulelani Ngcuka, the newly appointed national director of public prosecutions (see *National director of public prosecutions* below,) instructed the prosecution to withdraw its opposition to the bail application. Judge van der Walt said that Mr Ngcuka's decision was 'unfortunate, ill-considered, and unwise' in the light of his connection to the ANC.<sup>121</sup> [<sup>121</sup> *Business Day* 14 December 1998] The deputy president, Mr Thabo Mbeki, criticised the judge's decision to refuse bail, saying that the bench should not be used as a platform to make political comments, while the Democratic Party and the New National Party supported the judge's decision.<sup>122</sup> [<sup>122</sup> *The Citizen* 12 December 1998]

In October 1998 the president, Mr Nelson Mandela, publicly questioned whether a *prima facie* fraud and theft case existed against Dr Allan Boesak. Dr Boesak, a cleric, was charged with committing the crimes while working as a prominent activist against apartheid for the Foundation for Peace and Justice prior to the 1994 election. Dr Boesak was subsequently found guilty of three counts of fraud and one of theft, and sentenced to four years' imprisonment. Mr Mandela formally apologised to the Western Cape attorney general, Mr Frank Kahn. Mr Mandela helped fund Dr Boesak's defence.<sup>123</sup> [<sup>123</sup> *The Star* 13 October 1998] Dr Boesak appealed to the Supreme Court of Appeal in April 1999.<sup>124</sup> [<sup>124</sup> *Business Day* 25 March 1999] At the time of writing his appeal had not been heard.

The conviction and sentencing of a farmer in Benoni (Gauteng), Mr Nicolas Steyn, in the same week as that of Dr Boesak, created controversy and led to criticism of the judiciary. Mr Steyn shot Angelina Zwane, an African baby being carried on the back of her cousin while crossing his smallholding. The Transvaal Provincial Division of the High Court found Mr Steyn guilty of culpable homicide but found that the incident had been 'a tragic freak accident' and therefore gave him a suspended sentence. The government and some sections of the press said the decision showed the judiciary was still racist.<sup>125</sup> [<sup>125</sup> *Ibid*] The prosecution applied for leave to appeal, which was refused. The minister of justice, Mr Dullah

Omar, called for a report on the case, although he was not empowered to intervene.<sup>126</sup> [<sup>126</sup> Ibid] The judge president of the Transvaal, Mr Justice Bernard Ngoepe, said that while such cases could be expected to attract comment and debate, ‘uninformed criticism’ and ‘unwarranted attacks’ on the judiciary were not acceptable.<sup>127</sup> [<sup>127</sup> *The Citizen* 27 March 1999]

In April 1999 the JSC considered proposals for the introduction of a public complaints mechanism against judges in the form of a disciplinary committee. The Department of Justice began drafting legislation to implement the proposals for enactment later in 1999.<sup>128</sup> [<sup>128</sup> *Business Day* 20 April 1999] At the time of writing these had not been introduced.

## **FINANCIAL INSTITUTIONS**

### **Financial and Fiscal Commission**

Legislation creating the Financial and Fiscal Commission came into operation on 1st January 1998 (see 1997/98 Survey, p479). The constitution empowered the commission to make recommendations to the government on the equitable division of revenue. The Department of Finance in the 1998/99 *Budget Review* differed from the recommendations of the commission, but adhered to the basic principles as set out by the commission. According to the principles, the relative needs of the provinces in education, health, and welfare should be assessed with reference to the numbers of people living in the provinces, their ages, and similar data. The 1999/2000 national budget differed from the commission’s recommendations in that the budget did not include the commission’s call for a surcharge on personal income tax as a means of funding provinces (see also *Provincial shares and budgets* below and the chapter on *The Economy*).<sup>129</sup> [<sup>129</sup> Ibid 12 March 1999]

### **South African Reserve Bank**

In July 1998 the government announced that the minister of labour, Mr Tito Mboweni, a former trade unionist, would succeed Dr Chris Stals as governor of the South African Reserve Bank in August 1999 when Dr Stals’s contract ended.<sup>130</sup> [<sup>130</sup> Ibid 6 July 1998] The government announced in April 1999 that the deputy minister of finance, Ms Gill Marcus, would become deputy governor of the reserve bank in August 1999. Both appointments were criticised by opposition parties as evidence of a tendency by the government to extend political control over independent bodies. The New National Party requested the public protector to investigate Mr Mboweni’s appointment.<sup>131</sup> [<sup>131</sup> Ibid 3 May 1999] (See *Public protector* below.)

## **PUBLIC ADMINISTRATION**

### **Affirmative Action in the Public Service**



The government published its *White Paper on Affirmative Action in the Public Service* in March 1998 (see also 1997/98 Survey, p480.) Each national and provincial department was required to implement an affirmative action programme. The programme should include numerical targets relating to blacks (including Africans, coloured people, and Indians), women, and disabled people. Performance contracts of directors general should include objectives related to affirmative action. In each department, affirmative action managers should be designated. The target for 1999 set by the white paper was 50% black and 30% female representation at managerial level, and 2% disabled people overall by 2005. At the beginning of 1998, these figures were 33% black and 13% female representation at management level, and 0.02% disabled people.<sup>132</sup> [<sup>132</sup> Department of Public Service and Administration, *White Paper on Affirmative Action in the Public Service*, 1998] (See also chapter on *Employment*.)

## Public Service Commission

For the constitutional principles governing the establishment of the Public Service Commission, see 1997/98 Survey, p480. The Public Service Laws Amendment Act of 1998 provided for a 14-member Public Service Commission governing the public service to replace the previous commission and its nine provincial counterparts. The provincial legislature of the Western Cape disputed the validity of this act on the basis that it usurped provincial powers as set out in the constitution (see *Provincial powers* above).<sup>133</sup> [<sup>133</sup> *Business Day* 4 January 1999] As a result of this constitutional challenge the commission was unable to begin its work on 1st January 1999, and a temporary body was agreed upon to carry out its work pending the outcome of the constitutional challenge.<sup>134</sup> [<sup>134</sup> *Ibid* 11 January 1999] In March 1999 the Constitutional Court struck down a section of the act which empowered the minister of public service and administration to transfer functions from a provincial to a national department without the consent of the premier. The rest of the act was upheld.<sup>135</sup> [<sup>135</sup> *Ibid* 30 March 1999]

## STATE INSTITUTIONS CREATED UNDER THE CONSTITUTION

The following table shows the budgetary allocations to statutory bodies from 1998/99 to 1999/2000:<sup>136</sup> [<sup>136</sup> Republic of South Africa, *Estimate of Expenditure to be Defrayed from the National Revenue Fund During the Financial Year ending 31 March 2000*, (R.P.2.-1999)]

### *Budgetary allocations to statutory bodies: 1998/99–1999/2000*

1998/1999 Rm

1999/2000 Rm

Auditor General

5.0

6.3

**Commission on Gender Equality**

10.2

10.7

Commission for the Promotion and Protection of the Rights of Cultural, Religious, and Linguistic Communities

0.0

3.6

**South African Human Rights Commission**

13.2

16.0

Independent Broadcasting Authority

31.5

35.0

**Truth and Reconciliation Commission**

21.9

14.6

Independent Electoral Commission

500.0

713.5

**National Director of Public Prosecutions**

60.8

71.3

Pan South African Language Board

11.3

11.0

**Public Protector**

7.4

15.4

Volkstaat Council

1.2

— a

**Total**

662.5

897.4

*Source:* Estimate of Expenditure, Department of Finance

a

The Volkstaat Council was disbanded at the end of

**Auditor General**

Performance audits carried out between August 1997 and August 1998 by the auditor general, Mr Henri Kluever, showed that mismanagement, lack of planning and control, and general incompetence in 12 government departments cost some R370m over three years.<sup>137</sup> [<sup>137</sup> *Business Day* 24 December 1998]

In his report on the national government accounts for 1996/97, Mr Kluever recommended that a custodian for economic crime be created in the public sector to co-ordinate the activities of the various institutions involved in fighting crime. He said amendments to the Auditor General Act of 1995 were being considered. The amendments would seek to increase the powers of the forensic audit unit, including powers to subpoena, search, and seize. He voiced concern over the state of financial administration in the provinces, which he said often misspent large transfers made by central government. 'Parliament must have some kind of control over these transfers,' Mr Kluever said.<sup>138</sup> [<sup>138</sup> Ibid 26 May 1998]

In his report on the national government accounts for 1997/98, Mr Kluever gave unqualified audit opinions for the accounts of ten national budget votes. He gave qualified audit opinions on the accounts of 24 budget votes, for the following reasons:<sup>139</sup> [<sup>139</sup> *General Report of the Auditor-General on the Accounts of the National Government for 1997-98*, May 1999]

- ignorance of rules and regulations;
- non-adherence to procurement procedures;
- problems in accounting for stock and equipment;
- a lack of documentation and records;
- material overpayments;
- shortcomings in internal controls; and
- a lack of emphasis on internal audits.

For the period ending 31st January 1999, Mr Kluever reported that 39 cases were referred to the forensic auditing component of the Office of the Auditor General. These related to:<sup>140</sup> [<sup>140</sup> Ibid]

- fraudulent promissory notes;
- fraudulent guarantees;
- fraudulent contract administration;
- theft;
- embezzlement; and

- corruption.

As at 31st December 1998 some 876 cases of suspension of government employees, with compensation, were pending. Of these, 757, involving the payment of some R41m in compensation during the period of pension, came from the South African Police Service, the report said.

Regarding local government, Mr Kluever said in his report that the poor financial position of local authorities still prevailed. (See also *Difficulties in provincial governance* below.)<sup>141</sup> [<sup>141</sup> Ibid]

The minister of minerals and energy, Mr Penuell Maduna, alleged during question time in Parliament in June 1998 that Mr Kluever had failed to reveal that R170m was missing from the Strategic Fuel Fund in its 1992/93 accounts. An ad hoc parliamentary committee subsequently found that Mr Maduna was guilty of making 'inappropriate statements'. The matter was referred to the public protector, Mr Selby Baqwa.<sup>142</sup> [<sup>142</sup> *Business Day* 22 December 1998] At the time of writing Mr Baqwa's inquiry had not been completed. (See also 1997/98 Survey, pp472–473.)<sup>143</sup> [<sup>143</sup> www.polity.org.za/govt/pubprot, 9 June 1999]

In April 1999 Mr Kluever was asked to establish the exact amount recovered by the Heath Special Investigating Unit, after the amount claimed by the unit was questioned by the minister of finance, Mr Trevor Manuel. Mr Kluever found the unit had recovered more than it had claimed at the time (see *Heath Special Investigating Unit* below).

## **Commission on Gender Equality**

In May 1998 the Commission on Gender Equality called on the government to dispel uncertainty over the commission's and other independent bodies' existence. The commission received an extra R2.4m after it had criticised its budget as being insufficient (see 1997/98 Survey, p474). The Democratic Party said in February 1999 that the commission should be scrapped and its functions incorporated into the South African Human Rights Commission, thus saving the fiscus millions of rands. In March 1999 the commission issued its first *Audit of Legislation that Discriminates on the Basis of Sex and Gender*. It found that examples of direct and 'hidden' discrimination remained in South Africa. This was apparent in such areas as customary law where the inheritance rights of women were limited, and in the budget of the Legal Aid Board, which allocated few resources to issues of concern to women, such as maintenance.<sup>144</sup> [<sup>144</sup> *The Citizen* 4 February 1999]

## **Commission for the Promotion and Protection of the Rights of Cultural, Religious, and Linguistic Communities**

The Commission for the Promotion and Protection of the Rights of Cultural, Religious, and Linguistic Communities was established in August 1998. Its primary object was to promote respect and tolerance

for different cultural, religious and linguistic communities. Where necessary, it could recommend the establishment of councils for different communities.<sup>145</sup> [<sup>145</sup> Section 185, Constitution of the Republic of South Africa Act 108 of 1996] In addition, it would take over the functions of the Volkstaat Council (see *Volkstaat Council* below).

## South African Human Rights Commission

During 1998 the South African Human Rights Commission processed 300 complaints of unfair discrimination from ordinary citizens and 327 from prisoners. Of the 300 complaints by ordinary citizens, more than a quarter related to the right to equality. This was followed by the rights to education (12%), fair administrative action (8%), and fair labour practices (8%). Only 3% of complaints by prisoners related to the right to equality, while 29% related to the right to freedom and security of person (assault), 15% to the right to health care, and 14% to the rights of detained persons (bail).<sup>146</sup> [<sup>146</sup> South African Human Rights Commission, annual report 1997/98, p23]

Immigrant doctors approached the commission in 1998 for a ruling on the Department of Health's requirement that doctors with foreign qualifications rewrite examinations before being permitted to practise in the private sector. Such doctors work in state hospitals, often as specialists. The commission found this requirement to be discriminatory, but justifiable under the constitution. Mrs Helen Suzman, former MP (Democratic Party) and human rights campaigner, and a commissioner at the time, dissented from this finding. The matter was subsequently brought to the Transvaal Provincial Division of the High Court. Mr Justice N M McArthur found that the discrimination was not justifiable. (See *Constitutional rights* above.)<sup>147</sup> [<sup>147</sup> *Mail & Guardian* 9 October 1998]

In June 1998 the commission began an investigation into racial integration in schools. This followed allegations of racial incidents at schools in Elandspoort, Schweizer-Reyneke, Springs and Vryburg. The report, published in February 1999, made a number of recommendations. These included immediate action on education 'hotspots'; establishing bodies to monitor and research discrimination in the education system, and to assist in combating it; implementing codes of conduct to address racism in schools; and building human rights education into curricula.<sup>148</sup> [<sup>148</sup> South African Human Rights Commission, annual report, 1997/98; Dalamba Y and Vally S, *Racism, 'Racial Integration' and Desegregation in South African Public Secondary Schools: a report on a study by the South African Human Rights Commission*, South African Human Rights Commission, February 1999]

In January 1999 the commission published terms of reference and procedures for an investigation into racism in the media. (See *Constitutional rights* above.)<sup>149</sup> [<sup>149</sup> South African Human Rights Commission, *Procedure for the investigation of racism into the media*, 18 January 1999] The investigation arose out of a joint request by the Black Lawyers' Association and the Black Accountants of South Africa for the commission to investigate the *Mail and Guardian* and *Sunday Times* newspapers for 'violations of the fundamental rights of black people'.<sup>150</sup> [<sup>150</sup> *The Citizen* 11 December 1998] The chairman of the commission, Dr Barney Pityana, said in August 1999 that the preliminary report of this investigation would be released at the

end of October, public hearings would be conducted in November, and the final report of the investigation would be published in February 2000.<sup>151</sup> [<sup>151</sup> *The Star* 24 August 1999]

Mrs Helen Suzman announced her resignation from the commission in October 1998. She said that she had 'grown cynical' and felt she did not serve any purpose in the organisation. She had her differences with the commission, but it still had much to offer the country, she said.<sup>152</sup> [<sup>152</sup> *The Citizen* 10 October 1998] Her resignation, following those of other commissioners, namely, Ms Rhoda Khadalie, Ms Brigalia Bam, and Ms Anne Routier, resulted in reports that the government would be asked to appoint a parliamentary committee to oversee the work of the commission.<sup>153</sup> [<sup>153</sup> *Business Day* 14 October 1998] This had not happened at the time of writing.

## **Independent Broadcasting Authority**

The Independent Broadcasting Authority (IBA) heard applications for community radio licences and new commercial radio licences, monitored the election, policed local content regulations, and monitored radio and television stations during the period under review.

In April 1999 the authority proposed that broadcast material containing gratuitous violence, violence against women, and hate speech be prohibited from any form of broadcast. The proposed new code of conduct also set aside a time slot for other material meant for adult audiences. All broadcasting licensees had to adhere to the Code of Conduct for Broadcasting contained in a schedule to the Independent Broadcasting Authority Act of 1993. The authority applied for the act to be amended to include the proposals. At the time of writing the amendment to the schedule had not been effected.<sup>154</sup> [<sup>154</sup> *Business Day* 14 April 1999; <http://iba.org.za/conduct.html>, 23 June 1999]

## **Truth and Reconciliation Commission**

The Truth and Reconciliation Commission (TRC) was established in December 1995 under the Promotion of National Unity and Reconciliation Act of 1995. Its primary purpose is to foster reconciliation by revealing the truth about killings and other gross violations of human rights committed on all sides between March 1960 (the month of the Sharpeville massacre) and May 1994 (when Mr Nelson Mandela was inaugurated as president of South Africa). The TRC has three main committees, the Committee on Human Rights Violations, the Committee on Amnesty, and the Committee on Reparation and Rehabilitation. It was earlier assisted in its work by a research department and investigating unit. (For further details, see 1997/98 Survey, pp518–540.)

The commission was initially expected to complete its work by June 1997. This deadline was first extended to mid-1998. The amnesty committee proved unable to complete its work within this period, and was given an indefinite time to do so. The remainder of the commission was given until 30th October 1998 to complete a report. It was then suspended until such time as the amnesty committee had finished its task. The commission is then to be reconvened so that it can consider the further amnesty

evidence assembled and complete its final report.<sup>155</sup> [<sup>155</sup> Section 43, Promotion of National Unity and Reconciliation Act of 1995]

In November 1998, R32m was allocated to the TRC to fund the continuation of its work. This was in addition to the R23m set aside for the commission in the budget for the 1998/99 financial year. The minister of justice, Mr Dullah Omar, said it was impossible to predict what the final cost of the TRC would be, as it remained uncertain how long the amnesty process would take.<sup>156</sup> [<sup>156</sup> *The Citizen* 7 November 1998]

## **The TRC's Main 'Findings and Conclusions'**

On 29th October 1998 the TRC published a lengthy report in five volumes. A shortened version of the report is also being produced to make it more accessible to the public. This shortened version will be some 260 pages in length. Some 10 000 copies are to be printed, and 'the intention is to distribute the adapted version in schools'.<sup>157</sup> [<sup>157</sup> *Financial Mail* 13 November 1998]

The TRC's report contained a number of findings against various individuals and organisations, made in relation to specific incidents. In addition, the TRC summarised overall accountability for gross violations of human rights, in its main 'findings and conclusions', as follows.

### ***Findings Against Political Parties and Organisations***

#### ***National Party Government***

The TRC's primary finding was that the former National Party (NP) government had committed the 'predominant portion of gross violations' in the mandate period and had done so in collusion with the Inkatha Freedom Party (IFP). The NP government, together with the IFP, had engaged in activities of a criminal nature, including the extra-judicial killing of its political opponents.<sup>158</sup> [<sup>158</sup> Truth and Reconciliation Commission of South Africa Report (TRC Report), vol 5, p212] The State Security Council established by the government had foreseen that calls to 'take out', 'wipe out', 'eradicate', or 'eliminate' activists would result in their being killed, and was responsible for the violations that ensued.<sup>159</sup> [<sup>159</sup> *Ibid*, p218] Apartheid had been a crime against humanity, and the government—in the pursuit of power and privilege for a racial minority—had engaged in torture, the unjustified use of deadly force in controlling demonstrations, the deliberate mobilisation of one group against another, and the covert training, arming, and funding of hit squads for deployment against its political opponents.<sup>160</sup> [<sup>160</sup> *Ibid*, pp222–223] These hit squads had included Inkatha supporters trained by the army in the Caprivi strip (in Namibia) in 1986.<sup>161</sup> [<sup>161</sup> *Ibid*, p235]

The former government had also 'deliberately and systematically destroyed state documentation over a number of years'. This began in 1978, when classified records were routinely destroyed, ostensibly to safeguard state security. 'By the 1990s, the process of destruction of records and documents had become



a co-ordinated endeavour, sanctioned by the cabinet, with the aim of denying a new government access to incriminating evidence and sanitising the history of the apartheid era.’ This ‘mass destruction’ of records had had a ‘severe impact on South Africa’s social memory’. Evidence of ‘the inner workings of the state’s security apparatus had been obliterated’, significantly impeding the work of the TRC and obstructing ‘the process of reconciliation and healing’. The TRC found the former cabinet, the National Intelligence Service, the security branch of the South African Police, and the South African Defence Force (SADF) accountable for the destruction of records.<sup>162</sup> [<sup>162</sup> Ibid, pp226–227]

### *Homeland Administrations*

The homeland administrations established by the former state had ‘functioned as extensions of that state and as instruments of its security forces’. They had also implemented systems of rural local administration which had led to widespread abuses and gross violations. They had established police forces and (in the case of the ‘independent’ homelands) armies as well, which had been ‘characterised by incompetence, brutality, and political bias’. These, among other things, had ‘worked openly with pro-homeland government vigilantes and/or covert armed groups’, and been responsible for ‘large numbers of killings and attempted killings’ as well as for the torture, abduction, and severe ill-treatment of opponents of homeland administrations.<sup>163</sup> [<sup>163</sup> Ibid, pp228–229]

### *Kwazulu Homeland Administration and Police*

In KwaZulu-Natal, moreover, the homeland administration and KwaZulu Police (KZP) had been responsible for concealing and otherwise aiding those engaged in political violence, for ‘taking part in killings’ and then covering up their involvement as perpetrators, and for collaborating with the former police and army in projects ‘aimed at destabilising popular opposition to state and homeland government authority’. The commission found the KwaZulu (and other) homeland security forces accountable not only for their own gross violations, but also for those perpetrated by supporters of the homeland administrations in question. This was because they had failed to act against such supporters, thereby exacerbating the climate of impunity.<sup>164</sup> [<sup>164</sup> Ibid, p229]

### *Inkatha Freedom Party*

As regards the IFP, the TRC found that the party had attacked and killed supporters of the African National Congress (ANC) alliance as well as others who threatened its interests. In particular, it had established a hit squad in Esikhawini township (northern KwaZulu) to eliminate ANC supporters in the area. Prior to the April 1994 general election, it had developed self-protection units numbering between 5 000 and 8 000 men to give itself the military capacity forcibly to prevent the holding of ‘elections which did not accommodate the IFP’s desires for self-determination’. It thereby conspired to bring about further deaths and other gross violations of human rights.<sup>165</sup> [<sup>165</sup> Ibid, pp233 – 236]

The commission based its findings against the IFP on, among other things, the speeches of the party’s president and senior officials; the IFP’s arming of its supporters; its mass attacks on communities

supportive of the ANC alliance; its killing of ANC leaders; its establishment (together with the SADF) of a paramilitary force intended to cause death and injury to ANC supporters; its establishment of ‘hit squads’ within the KwaZulu Police (KZP); its use of ‘special constables’ to kill or injure ANC members; and its training of self-protection units to prevent the 1994 general election taking place.<sup>166</sup> [<sup>166</sup> Ibid, p234]

The TRC found Chief Mangosuthu Buthelezi, by virtue of his roles as IFP president, chief minister of KwaZulu, and minister of police in KwaZulu, accountable for the gross violations of human rights committed by the IFP, the KwaZulu government, and the KZP.<sup>167</sup> [<sup>167</sup> Ibid]

### *‘third Force’*

The TRC found that ‘little evidence existed of a centrally directed, coherent, and formally constituted “third force”’. It held, however, that a ‘network of security and ex-security force operatives, often acting in conjunction with right-wing elements and/or sectors of the IFP, had fomented and engaged in violence, including both random and targeted killings’. These networks functioned ‘with the active collusion of senior security force personnel’, while the former government failed to take sufficient steps to put an end to their activities.<sup>168</sup> [<sup>168</sup> Ibid, p238]

### *African National Congress*

The commission also held the ANC accountable for gross violations. In waging its armed struggle, the ANC’s policy had been to avoid civilian deaths. However, some members of Umkhonto we Sizwe (Umkhonto) had sometimes blurred the distinction between military and civilian targets—for example, in a bombing in 1983 in Church Street (Pretoria).<sup>169</sup> [<sup>169</sup> 1983 *Survey*, pp569–570] There had also been instances, such as the Amanzimtoti bomb in 1985,<sup>170</sup> [<sup>170</sup> 1985 *Survey*, p544–545] when Umkhonto operatives, using their own discretion, had determined targets for attack ‘outside official policy guidelines’ and often ‘in retaliation for raids by the former South African government into neighbouring countries’. Sometimes, Umkhonto operations (such as the Magoo’s Bar bomb in Durban in 1986)<sup>171</sup> [<sup>171</sup> 1992/93 *Survey*, p36] had ‘gone awry’ for a variety of reasons, including poor intelligence and reconnaissance. The ANC’s landmine campaign in rural areas had killed a number of civilians, but the government had earlier blurred the distinction between hard and soft targets in the border areas by declaring them military zones. (See 1996/97 *Survey*, p623.)

The ANC had also engaged in the extrajudicial killing of informers and askaris (Umkhonto cadres who had defected to the police). Further, it had created a climate in which people who were not ‘direct members of the ANC or operating under its formal command’ had believed that certain gross violations were legitimate because they fell ‘within the broad parameters of a “people’s war” as enunciated by the ANC’.<sup>172</sup> [<sup>172</sup> TRC Report, vol 5, p240–241]

The ANC was also accountable for the torture and, on occasion, the execution of suspected ‘enemy

agents and mutineers' in its camps in exile. It was not the ANC's policy to engage in torture, but the organisation had not done enough to put an end to such abuses. Though it was also not the ANC's policy to attack and kill political opponents, in the early 1990s killings and assaults on its political opponents had occurred. 'Within the context of widespread state-sponsored or -directed violence and a climate of political intolerance,' the self-defence units (SDUs) the ANC had established had also 'often taken the law into their own hands' and committed gross violations of human rights.<sup>173</sup> [<sup>173</sup> Ibid, p243]

### *United Democratic Front*

The commission acknowledged that 'it was not the policy of the United Democratic Front (UDF) to attack and kill political opponents'. Such killings had nevertheless occurred 'in the context of widespread state-sponsored or -directed violence and a climate of political intolerance'. The UDF had facilitated violations through its campaigns, public statements, and speeches, and had helped 'to create a climate' in which its supporters believed 'they were morally justified in taking unlawful actions against state structures and persons perceived as supporters of the state'. Just as the former state was accountable for its use of language, so too was the UDF responsible for 'its slogans and songs that encouraged or eulogised violent actions'.

These factors had led to 'widespread excesses and gross violations', including necklace executions, attacks on black councillors and policemen, the burning and destruction of homes, and the violent enforcement of stayaways and boycotts. They had also promoted a 'climate of intolerance', resulting in conflict with Inkatha, the Azanian People's Organisation, and others. The UDF's leadership had failed to put a stop to these practices, even though they 'were frequently associated with official UDF campaigns'. In particular, it did not do enough to 'bring an end to the practice of necklacing'.<sup>174</sup> [<sup>174</sup> Ibid, pp246-247]

### *Pan-Africanist Congress*

The Pan-Africanist Congress (PAC), while proclaiming that its objective was to conduct rural guerrilla warfare within the context of a protracted people's war, had primarily targeted civilians for killing. This targeting of civilians (including whites at random and white farmers in particular) was not only a gross violation of human rights but also a violation of international humanitarian law. The TRC rejected the PAC's explanation that these killings had been acts of war. It also held the PAC accountable for the extra-judicial killing of dissidents within its ranks and of supporters who were 'branded as informers or agents'.<sup>175</sup> [<sup>175</sup> Ibid, p245]

The TRC further found the PAC accountable for gross violations committed by 'Poqo' in the early 1960s. Though these had taken place in the context of 'the land wars' of the time, Poqo had nevertheless unleashed 'a reign of terror, especially in the Western Cape townships'. Gross violations of human rights had been committed against members of the police, especially those living in black townships; dissident members of the PAC who opposed Poqo's activities; chiefs and headmen; and 'white civilians in non-combat situations'.<sup>176</sup> [<sup>176</sup> Ibid, p244]

## *White Right Wing*

As regards the white right wing, the commission found that the Afrikaner Volksfront and structures operating under its broad umbrella had been responsible, in 1993 and 1994, for gross violations against the ANC alliance, the NP, and the PAC. In seeking Afrikaner self-determination and the creation of a volkstaat ('people's state'), the Volksfront had incited violence and attempted to mobilise for an insurrection. Its members had committed random attacks on black people, colluded with elements in the security forces and/or the IFP in various ways, and established paramilitary groupings to threaten revolution and derail the democratic process.<sup>177</sup> [<sup>177</sup> Ibid, pp236–237]

## ***Findings Against Particular Political Leaders***

Though the TRC's main 'findings and conclusions' focused primarily on the accountability of organisations, they also included findings against certain individuals—notably Mr P W Botha, a former state president, and Mrs Winnie Madikizela-Mandela, a former wife of President Mandela. (A finding that the TRC had intended to make against Mr F W de Klerk, state president after Mr Botha, was excised from the report in terms of a court order, see *Proceedings brought by Mr F W de Klerk*, below.)

### *Mr P W Botha*

The TRC found that Mr Botha had been head of state at a time (1978–89) when 'gross violations of human rights and other unlawful acts had been perpetrated on a wide scale by members of the former South African Police and the former South African Defence Force'. These violations had included the 'deliberate unlawful killing and attempted killing' of people opposed to apartheid policies, the 'widespread use of torture' and other severe ill treatment against such individuals, and the provision of 'covert logistical and financial assistance to organisations opposed to the ANC', thereby enabling such organisations to 'commit gross violations on a wide scale'.<sup>178</sup> [<sup>178</sup> Ibid, pp223–224]

Further, from 1979 to 1989, Mr Botha had been chairman of the State Security Council (SSC). Under his leadership, the SSC had used language implicitly authorising the killing of people; failed to ensure adequate punishment of security force members involved in gross violations, so contributing to the culture of impunity; recommended the introduction of emergency measures; and advocated principles of counter-revolutionary warfare which were aimed at eliminating and destabilising political opponents both within and outside the country. The SSC had thus created 'a political climate that greatly facilitated gross violations on a wide scale'.<sup>179</sup> [<sup>179</sup> Ibid, pp224–225]

Mr Botha was also responsible for ordering a former minister of law and order, Mr Adriaan Vlok, and a former police commissioner, General Johan van der Merwe, 'unlawfully to destroy Khotso House in Johannesburg', the headquarters of the South African Council of Churches. This had endangered the lives of people in and around the building and 'greatly enhanced the prevailing culture of impunity', while further 'facilitating gross violations of human rights by senior members of the security forces'.<sup>180</sup>

[<sup>180</sup> Ibid, p225]

By virtue of his position as head of state and SSC chairman, Mr Botha had ‘contributed to and facilitated a climate in which the above gross human rights violations could and did occur’ and was also ‘accountable for such violations’.<sup>181</sup> [<sup>181</sup> Ibid, p225]

### *Mrs Winnie Madikizela-Mandela*

The TRC found that Mrs Madikizela-Mandela was ‘central to the establishment of the Mandela United Football Club, which later developed into a private vigilante unit’ operating from her houses in Soweto. The club had been involved in a number of criminal activities, including ‘killing, torture, assaults, and arson in the community’. Mrs Madikizela-Mandela was ‘aware of the criminal activity’ but ‘chose deliberately not to address it’. Those who opposed Mrs Madikizela-Mandela and the club, or who dissented from them, ‘were branded as informers and killed’. Mrs Madikizela-Mandela, moreover, either knew of, or participated in, the activities of club members. She was herself responsible for committing gross human rights violations, and was also accountable for those committed by the club.<sup>182</sup> [<sup>182</sup> Ibid, pp243–244]

### ***‘Institutional Findings’***

The TRC also included in its ‘Findings and Conclusions’ a number of findings regarding business and other institutions. During 1997 the TRC had held a number of special hearings for business, the churches, the judiciary, the legal and medical professions, and the media, to ascertain what part they had played in gross violations of human rights (see 1997/98 Survey, pp521–524). Its findings were as follows.

#### *Business*

The TRC found that business had been ‘central to the economy that sustained the South African state during the apartheid years’. In addition, certain businesses, especially in the mining industry, had ‘helped to design and implement apartheid policies’. Others had benefited from ‘co-operating with the security structures’ of the former government, while most had profited ‘from operating in a racially structured context’.<sup>183</sup> [<sup>183</sup> Ibid, p252] In addition, the mining industry had benefited from migratory labour and low wages for black workers, while giving insufficient attention to the health and safety of its employees; while the white agricultural sector had profited from its ‘privileged access to land’ while failing to provide adequate facilities and services for employees and their dependants.<sup>184</sup> [<sup>184</sup> TRC Report, vol 4, p58]

The TRC further found that the denial of trade union rights to black workers had been a violation of human rights, while the action taken against trade unions by the state, ‘at times with the collusion of certain businesses’, had resulted in gross violations. In addition, business had not taken sufficient responsibility for its involvement in security initiatives, including the National Security Management

System, which had been ‘specifically designed to sustain apartheid rule’. Several businesses, moreover, had benefited from their involvement in the military industry.<sup>185</sup> [<sup>185</sup> TRC Report, vol 5, p252]

### *The Judiciary*

The commission found that a superficial adherence to the rule of law by the former government had helped to prolong apartheid. From 1960 to 1990, in particular, ‘the judiciary, the magistracy, and the organised legal profession had collaborated, largely by omission, silence, and inaction, in the legislative and executive pursuit of injustice’. Prosecutors had colluded with police who had been involved in torturing suspects. Judges and magistrates had ‘routinely rejected evidence of assault and torture—even when this was supported by medical evidence’. They had also ‘routinely found no one responsible for injuries and deaths in detention’.<sup>186</sup> [<sup>186</sup> Ibid p253]

Judges had ‘all too easily made sense of the illogical and the unjust in legislative language’ and had ‘unthinkingly allowed judicial policy to be influenced by executive dictate or white male prejudice’. They had also willingly participated in producing, by the mid-1980s, the highest capital punishment rate in the ‘Western’ world, ‘an execution rate which impacted overwhelmingly on poor black male accused’.<sup>187</sup> [<sup>187</sup> TRC Report, vol 4, pp101–106; vol 5, p254]

The TRC also found that judges could not hide behind the doctrine of parliamentary sovereignty, for this principle applied only where a parliament was fully representative of all the people. A concerted stand by a significant number of judges against injustice might also have ‘moved the government formally to curtail the jurisdiction of the courts’, thereby exposing ‘the degeneracy of its policies earlier and more devastatingly’. In addition, the judiciary, magistracy, and organised legal profession had been ‘locked into an overwhelmingly passive mindset which characterised the judgements of the bench in the face of the injustices of apartheid’.<sup>188</sup> [<sup>188</sup> TRC Report, vol 4, pp101–106; vol 5, p254]

### *The Media*

The TRC found that ‘state restrictions on the freedom of the media had played an important role in facilitating gross violations of human rights’. These restrictions grew in intensity until more than 100 laws controlled the right to publish and broadcast. These restrictions denied South Africans the right to a free flow of information and ideas. ‘At their worst, particularly during the successive states of emergency after 1985, the restrictions amounted to pre-publication censorship of information on state-inspired and state-sanctioned violations.’<sup>189</sup> [<sup>189</sup> TRC Report, vol 5, pp252–253]

The TRC’s main finding was that ‘the management of the mainstream English language media often adopted a policy of appeasement towards the state, ensuring a large measure of self-censorship’. The mainstream media were willing, in particular, ‘not to deal with matters that exposed the activities of the security forces’.<sup>190</sup> [<sup>190</sup> Ibid, p253; TRC Report, vol 4, pp188–189]

The Afrikaans media, with rare exceptions, ‘chose to provide direct support for apartheid and the activities of the security forces, many of which led directly to gross violations of human rights’.<sup>191</sup> [<sup>191</sup> TRC Report, vol 5, p253]

Elsewhere, the commission found that the South African Broadcasting Corporation (SABC) had allowed the Afrikaner Broederbond to exercise a pervasive influence on broadcasting policy. The SABC had also ‘willingly co-operated with the [former] security forces in the conscious employment of and/or co-operation with SAP and SADF spies, making it a direct servant of the government of the day’.<sup>192</sup> [<sup>192</sup> TRC Report, vol 4, p189]

## ***Further Findings***

The commission had also conducted hearings focused on women, children and youth, and military conscription. Its findings on these issues were as follows.

### ***Children and Youth***

The TRC found that the former government had been ‘the primary perpetrator of gross violations of human rights against children and youth in South Africa’ and the southern African region. Inferior, inadequate education had stunted black children, while repression of student and youth organisations had ‘encouraged youth to turn to violent forms of protest’ while also driving activists into exile. The former state had targeted schools as ‘centres of resistance’ and had occupied school premises, intimidated and arrested pupils and teachers, and ‘created a climate in which unnecessary violence had occurred’. Black children and youth had been ‘demonised’ as ‘part of a communist onslaught’, thus ‘facilitating and legitimating the use of violence and force against them’.<sup>193</sup> [<sup>193</sup> TRC Report, vol 5, p255]

The former government had also used unnecessary lethal force in public order policing, and resorted to the detention and torture of young people while harassing them and deliberately withholding from them medical attention, food, and water. It had also ‘exploited and manipulated divisions’ in black society, inducing youth leaders, through threats of violence and financial blandishments, to act as informers and vigilantes. Its security forces had entrapped youthful activists, purporting to recruit them for military training and then killing them.<sup>194</sup> [<sup>194</sup> Ibid, p255]

In addition, ‘the mass and liberation movements had mobilised and, in the case of the latter, armed and trained children as part of their armed formations’. Both the liberation movements and the IFP were ‘responsible for recruiting youth into SDUs (self-defence units) and SPU (self-protection units) in the 1990s and training them to kill, thus dehumanising and desensitising them’. The war between the ANC and the IFP had also ‘displaced large numbers of youth, leaving them homeless’—and for this the state, the ANC, and the IFP were all responsible for gross violations of human rights.<sup>195</sup> [<sup>195</sup> TRC Report, vol 5, p256]

### ***Women***

The TRC found that the former government had been responsible for ‘the severe ill treatment of women in custody, in the form of harassment and the deliberate withholding of medical attention, food, and water’. In addition, women had been abused by the security forces through rape, threats of rape, and other sexual abuse. They had further been threatened with the removal of children from their care, told false stories about the deaths of family members and children, and subjected to ‘humiliation and abuse around biological functions such as menstruation and childbirth’.<sup>196</sup> [<sup>196</sup> Ibid, p256]

Furthermore, women in exile, particularly those in camps, had been ‘subjected to various forms of sexual abuse and harassment, including rape’.<sup>197</sup> [<sup>197</sup> Ibid, p256]

### *Conscription*

The commission found that the former government’s policy of conscription had been immoral, and had ‘denied conscripts the right to freedom of conscience and the right to refuse to serve in the SADF’. Through conscription, the former state and army had ‘used young men to assist, implement, and defend the policy of apartheid, to maintain the illegal occupation of Namibia, and to wage war against neighbouring countries’. The state had also vilified those who refused to serve in the army, labelling them ‘cowards and traitors’, and had thereby violated their human rights.<sup>198</sup> [<sup>198</sup> Ibid, p257]

## **Court Actions to Prevent Publication in Whole or Part**

### ***Proceedings Brought by Mr F W de Klerk***

In late October 1998, a former state president, Mr F W de Klerk, applied to the Cape Provincial Division of the High Court for an order preventing the TRC including its intended findings against him in its report.<sup>199</sup> [<sup>199</sup> *The Star* 28 October 1998] An agreement was reached between Mr de Klerk and the TRC that the section of the report dealing with Mr de Klerk would be excised and the matter set down for further hearing in March 1999. This agreement was made an order of court by Mr Justice E L King on 28th October 1998 (the day before the report was due to be published).<sup>200</sup> [<sup>200</sup> Ibid 29 October 1998] The chairman of the commission, a former archbishop of Cape Town, the Most Reverend Desmond Tutu, said the commission had agreed to a postponement as it needed more time properly to defend itself against Mr de Klerk’s application.<sup>201</sup> [<sup>201</sup> Ibid] The matter was set down for hearing in May 1999, but was then instead postponed indefinitely by the High Court. At the time of writing, it remained unclear how the matter would be resolved.<sup>202</sup> [<sup>202</sup> Telephone conversation with Mr Dave Steward, spokesman for Mr FW de Klerk, Cape Town, 20 August 1999]

### ***Proceedings Brought by the African National Congress***

In the early hours of 29th October 1998 the African National Congress (ANC) brought an application before the Cape Provincial Division of the High Court either to prevent the publication of the TRC’s



report, or to excise the TRC's intended findings against the ANC.<sup>203</sup> [203 *Business Day* 29 October 1998] The ANC said it was bringing the application to 'have the whole report—which it described as grossly inaccurate, biblical, and simply not credible—withdrawn'. The deputy secretary general of the ANC, Ms Thenjiwe Mtintso, said 'it was not the ANC's intention to silence the TRC, but in terms of the law any party against which an adverse finding had been made should be given the opportunity to respond'. 'What we can't have,' she continued, 'is a misrepresentation of the ANC and the national liberation struggle.'<sup>204</sup> [204 *The Star* 29 October 1999]

Before Mr Justice Wilfred Thring, the ANC contended that it had not been given a proper hearing by the TRC and should have been accorded the opportunity to make oral as well as written representations. The TRC rejected this, stating that the ANC had failed to adhere to an 8th September deadline for the submission of its written representations and had ultimately provided these only on 19th October 1998.<sup>205</sup> [205 *Sowetan*, *The Star* 30 October 1999] The TRC, moreover, had distributed copies of the ANC's submission to all commissioners for their consideration.<sup>206</sup> [206 *The Star* 30 October 1998] The ANC's application was dismissed with costs.<sup>207</sup> [207 *Ibid*]

The president, Mr Nelson Mandela, accepted the TRC's recommendation that the report should be made public immediately, and did not use his statutory power to delay its publication for two months while he studied it.<sup>208</sup> [208 *Mail & Guardian* 23 October 1998] The report was made public, as planned, at a ceremony in Pretoria on 29th October.<sup>209</sup> [209 *The Citizen* 31 October 1998]

Speaking at this ceremony, Mr Mandela noted that the report would be completed only after the amnesty process had run its course. He paid tribute to the 20 000 men and women who had shared their pain with the country, as well as the hundreds who had dared to acknowledge their guilt. Though the pain had sometimes been unbearable, it had also brought the country to the beginnings of a common understanding of what had happened. Many people would also have reservations about the report. 'All are free to make comment on it,' continued Mr Mandela, 'and indeed we invite you to do so. And, for those who feel unjustly damaged, there are remedies.'

Mr Mandela noted that some people would find it 'artificial to place those fighting a just war alongside those whom they opposed'. Others would find it difficult 'to accept the finding that the apartheid state was the primary perpetrator of gross human rights violations'. The nation could not equivocate, however, about 'a system which exacted such inhumanity', and there could be 'no dissonance with regard to the clarion call: Never again!'

Mr Mandela also acknowledged that the ANC had committed certain gross violations in the course of its 'just' war, saying 'no one could deny that some people had died in its camps' in exile. The ANC, continued Mr Mandela, had 'come out very well in the report', and he was satisfied that 'the commission had done a good job'.<sup>210</sup> [210 *Business Day* 2 November 1998] Mr Mandela thus 'accepted the report, with all its imperfections, as an aid to help reconciliation and the building of the nation'.<sup>211</sup> [211 *Sowetan* 30 October

1998]

At a news conference after the ceremony, Archbishop Tutu rejected as ‘twaddle’ the ANC’s argument that it had not been given enough time to make a submission. The party was not entitled to ‘special privileges’. He added that he had not fought ‘for the replacement of a group of people who thought they were tin gods only to replace them with those who are tempted to think they are’.<sup>212</sup> [<sup>212</sup> *Sunday Times* 1 November 1998] He continued, ‘We can’t assume that yesterday’s oppressed will not become tomorrow’s oppressors. I won’t be surprised if it happens here.’<sup>213</sup> [<sup>213</sup> *The Citizen* 31 October 1998]

In a subsequent interview with the *Sunday Times*, Archbishop Tutu urged South Africans to stop seeking to appease the ANC. ‘Sycophants are the worst possible thing to have around you when you are in power. Those who forget the past are doomed to repeat it,’ he stated. He added that the citizenry should ‘retain the same capacity to sniff out corruption and abuse of power’ as it had used against the former National Party government.<sup>214</sup> [<sup>214</sup> *Sunday Times* 1 November 1998]

The secretary general of the ANC, Mr Kgalema Motlanthe, stated that Archbishop Tutu, in criticising the ANC, had ‘failed to distinguish between the ANC as a political party and the ANC in government’. As a result, Archbishop Tutu had not ‘addressed himself to the issues’. He added that Archbishop Tutu’s ‘outbursts over the ANC’s court challenge were “quite extravagant” ’.<sup>215</sup> [<sup>215</sup> *Business Day* 2 November 1998] The ANC had merely turned to the courts in a bid to force the commission to consider its late submission, and had ‘no regrets’ about the court action.<sup>216</sup> [<sup>216</sup> *Ibid*]

## **Reactions by Political Parties to the TRC Report**

### ***African National Congress***

Mr Thabo Mbeki, the president of the ANC and then deputy president of South Africa, criticised the TRC’s findings against the ANC, ‘No member of my organisation, the ANC, can ever concur with the scurrilous attempts to criminalise the liberation struggle.’<sup>217</sup> [<sup>217</sup> *Sunday Tribune* 1 November 1998] Mr Motlanthe added that the TRC’s findings were ‘blatantly’ contrary to fundamental tenets of international law. ‘The TRC seemed to operate from a framework that blurred the distinction between the legitimate and just course of taking up arms, and the deliberate and systematic violation of human rights by the apartheid regime against the people.’ The ANC therefore saw itself as responsible for clarifying the ‘incorrect’ sections of the report. Mr Motlanthe said it was unfortunate that the TRC seemed to have based its findings on the premise that human rights violations had occurred whenever civilian lives had been lost. The TRC had also overlooked the fact that, for decades, the ANC alliance had been the ‘only political force in the country blocking its destruction through the conflagration of racial war’.<sup>218</sup> [<sup>218</sup> *The Star* 31 October 1998]

The ANC, in its submission to the TRC on the content of the report, had also taken issue with the

commission for its findings against the Inkatha Freedom Party (IFP). The TRC found the IFP primarily responsible for killings and other gross violations committed from 1982 to 1994. The ANC responded that the former government had been to blame, rather than the IFP, 'The apartheid counter-insurgency machinery inserted itself into the IFP and, as it carried out its murderous campaign, cloaked itself in IFP colours, whereas the genuine leaders and members of the IFP had nothing to do with planning or carrying out acts of violence originally conceived by themselves.'<sup>219</sup> [<sup>219</sup> *Sunday Tribune* 6 December 1998]

Unnamed ANC supporters were reported to be dissatisfied with this view, asserting that 'the TRC's picture of the IFP was correct'. They argued too that, though the ANC's strategy was to avoid further conflict with the IFP and to secure an effective two-thirds majority in Parliament through forging closer links with that party, 'tactics should not be confused with truth'. They also queried whether it was politically necessary to go as far as the ANC had done.<sup>220</sup> [<sup>220</sup> *Ibid*] One of the TRC's commissioners, Mr Richard Lyster, also rejected the ANC's perspective, 'For the ANC to say now that no IFP leaders or supporters acted against the ANC is a completely dishonest attempt to rewrite history for the purposes of political expediency,' he stated.<sup>221</sup> [<sup>221</sup> *Ibid* 1 November 1998]

### ***Democratic Party***

The leader of the Democratic Party (DP) in Gauteng, Mr Peter Leon, said his party agreed with the commission's primary finding that the former National Party government had committed gross violations of human rights, including the extra-judicial killing of its opponents. The DP said it found it particularly deplorable that the former government had become involved in criminal activities. It also deplored, however, the fact that the ANC had failed to follow just means in its war against apartheid. The DP urged the national director of public prosecutions, Mr Bulelani Ngcuka, to prosecute, in an even-handed way, the various individuals found accountable for gross violations by the TRC. The DP also endorsed Archbishop Tutu's call for vigilance against all potential oppressors.<sup>222</sup> [<sup>222</sup> *The Star* 18 November 1998]

### ***Freedom Front***

The Freedom Front said the TRC report could not be taken seriously as 'it had not been tested judicially and was based on sob stories'. The ANC's strategy, it alleged, was to use the report to 'transfer collective guilt to Afrikaners and then press for compensation, either in the form of Nuremberg tribunals or in the form of "veiled discrimination such as affirmative action and excessive taxation"'. The organisation added that the TRC had failed to provide a proper picture of the ANC's 'attempt to make the former state ungovernable', while the limited findings it had made against the ANC 'could have been planned strategically to give the report a certain international credibility'. The Freedom Front also acknowledged that the former government had 'not been bound by its own laws' and that 'certain misdeeds had been committed in the name of white survival and state security'. These could not be 'glossed over', it stated.<sup>223</sup> [<sup>223</sup> *The Citizen* 6 November 1998]

## ***Inkatha Freedom Party***

The Inkatha Freedom Party (IFP) rejected the report. It was one-sided and failed to give a true reflection of what had happened in the country. Much of it was based on hearsay, while the TRC had failed to take seriously the submission the IFP had made to it. Instead, the report had emerged as ‘a weapon of the ANC to destroy its opponents’. There was nothing in the report about the numerous assassination attempts mounted against the IFP’s president, Chief Mangosuthu Buthelezi. The deaths of more than 400 IFP leaders had not been properly explained, and neither had the killings of thousands of ordinary IFP supporters. Overall, the TRC ‘had done the country no favours, while costing it a great deal of money’.<sup>224</sup> [<sup>224</sup> *Rapport* 1 November 1998]

The IFP said it would take legal action against the TRC for implicating its leaders in gross violations of human rights. The commission, it continued, was ‘best described as a circus’, and did not deserve the status it was being accorded. The TRC had also been ‘crippled by political bias’ and was thus incapable of attaining the goals of truth and reconciliation.<sup>225</sup> [<sup>225</sup> *The Citizen* 31 October 1998] Chief Buthelezi demanded that the TRC provide evidence to substantiate its findings against himself and his party. The IFP added that it was still pursuing the complaint against the TRC that it had lodged with the public protector in 1997 (see 1997/98 Survey, p540).<sup>226</sup> [<sup>226</sup> *Ibid* 7 November 1998]

## ***New National Party***

Mr Marthinus van Schalkwyk, leader of the NNP, said ‘last-minute changes to the report were only the latest in a string of mistakes made by the TRC that had undermined its credibility’. These mistakes included the appointment of commissioners sympathetic to the ANC, the ‘attack on the NP and Mr de Klerk for which the TRC and its leaders were later compelled to apologise’ (see 1997/98 Survey, pp519–520), and the granting of a blanket amnesty to 37 ANC leaders, which was later overturned by the Cape Provincial Division of the High Court (see 1997/98 Survey, pp525–526). ‘The report is a mess,’ said Mr van Schalkwyk. ‘It has been compromised so many times ... that it has no credibility left.’<sup>227</sup> [<sup>227</sup> *The Star* 29 October 1998]

Mr F W de Klerk said he feared the TRC report had ‘left our communities more divided than at any time since the inauguration of the government of national unity’ in May 1994. He added that the TRC seemed to have ‘determined beforehand that no one from the previous dispensation should emerge with any honour or any credit for the creation of the new South Africa’. The TRC had thus given insufficient recognition to the role of the NP in ‘dismantling apartheid and transforming South Africa’. He was not convinced, continued Mr de Klerk, that ‘the predominant portion of gross violations of human rights had been committed by the former state’. He rejected the finding that the state had become involved ‘in activities of a criminal nature’. Only elements of the state had been so involved, he stated, while ‘such actions were never the policy of the cabinet or any organ of state on which he had served’. Moreover, the TRC had failed to ‘recognise the threat posed by the Soviet Union and its surrogates, including the South African Communist Party’.<sup>228</sup> [<sup>228</sup> *The Citizen* 31 October 1998]

Mr P W Botha, National Party leader and state president before Mr de Klerk, said the TRC's report contained no surprises. It appeared to be no more than an endorsement of the views long publicly expressed by Archbishop Tutu and his deputy, Dr Alex Boraine. Submissions made to the TRC regarding actual facts had played little role, if any, in determining the content of the report. The TRC had failed to render an impartial and evenly balanced account of past conflict and the revolutionary struggle. It had also failed to promote reconciliation and had instead destroyed the positive attitudes that had earlier existed.<sup>229</sup> [<sup>229</sup> *Rapport* 1 November 1998]

### ***Pan-Africanist Congress***

The Pan-Africanist Congress (PAC) criticised the TRC's report for having 'condemned the struggle'. 'Although the context of hostilities, war, and the struggle for survival had been grudgingly admitted, the condemnation had nevertheless been made.' Apartheid, the PAC continued, had been declared a crime against humanity by the international community, and 'victims of the system could not be placed on the same scale as its defenders'.<sup>230</sup> [<sup>230</sup> *The Star* 30 October 1998]

### ***South African Communist Party***

The South African Communist Party (SACP) welcomed the TRC's report 'as an extensive and considered agreement'. It agreed that 'some regrettable methods' had been employed by liberation movements in their just struggle against the former government, 'All of the unjust means attributed to the ANC-led alliance by the TRC report are indeed factual realities that the alliance itself has admitted and investigated.' The SACP also welcomed the TRC's finding that gross human rights violations had not been 'accidental to the policies and strategies of the apartheid regime' but had been 'systematic, extensive, and persistent'.<sup>231</sup> [<sup>231</sup> *The Citizen* 3 November 1998]

### ***United Democratic Movement***

The United Democratic Movement (UDM) welcomed the TRC's report as 'a balanced document which could contribute to reconciliation'. Though the wounds of the past could not be healed through the report, it provided the country with 'the first pages on which people, united as a nation, could start writing their future'.<sup>232</sup> [<sup>232</sup> *The Star* 30 October 1998] The UDM warned, however, that the prosecution of certain political leaders and their subordinates, as recommended by the TRC (see below), could cause resentment and alienate millions of South Africans from the process of fundamental change.<sup>233</sup> [<sup>233</sup> *The Citizen* 9 November 1998]

### **Parliamentary Debate on the TRC's Report**

On 25th February 1999 a special debate on the TRC's report was held in Parliament. President Mandela reiterated that the African National Congress (ANC) accepted the report 'despite its imperfections'. It

was inevitable, he stated, that ‘a task of such a magnitude in so short a space of time would suffer various limitations’. Questions had also arisen, as he had foreseen, about the ‘artificial even-handedness that seemed to place those fighting a just war alongside those who defended an inhuman system’.<sup>234</sup> [234 Ibid 26 February 1999]

Mr Mandela added that the focus on individual amnesty in the TRC’s founding legislation had left a gap in the law. ‘It seems to us an omission,’ said Mr Mandela, ‘that, while individuals are accommodated, the process leaves open the possibility of endless litigation against the new democratic government as well as structures that were involved in conflict.’ Mr Mandela said he was not advocating a ‘general amnesty under any guise’, as this would undermine the culture of accountability the government was seeking to engender. Special measures were necessary, however, to ‘indemnify the government from paying for the sins of apartheid’, as well as to accommodate the situation in KwaZulu-Natal.<sup>235</sup> [235 *Sowetan*, *The Star* 26 February 1999] Any prosecutions, continued Mr Mandela, should be instituted within a fixed period so as to prevent the country being saddled with unending judicial processes. Prosecutions would be handled by the national director of public prosecutions, Mr Bulelani Ngcuka, who would take into account the need to establish accountability as well as to ‘advance reconciliation’.<sup>236</sup> [236 *The Star* 26 February 1999]

Mr Thabo Mbeki welcomed the report in general but said he had ‘serious reservations’ about the TRC’s findings against the ANC. The ANC, like many others, had wanted to meet the TRC to respond to its ‘findings’ against the organisation. Having been denied this opportunity, it had appealed to the courts for assistance. This, however, he continued, had resulted in ‘unfortunate and gratuitous insults being made about freedom fighters being tomorrow’s tyrants’.<sup>237</sup> [237 *The Citizen* 26 February 1999]

Following this clear reference to Archbishop Tutu, Mr Mbeki again described the TRC’s findings against the ANC as ‘erroneous’. ‘One of the central matters at issue was and remains the erroneous determination of various actions of our liberation movements as gross violations of human rights. This includes the general implication that any and all military activity which results in the loss of civilian lives constitutes a gross violation of human rights. The net effect of these findings is to delegitimise or criminalise a significant part of the struggle of our people for liberation and to subtract from the commitment made in our constitution to “honour those who suffered for justice and freedom in our land”. Indeed, it could be said that the erroneous logic followed by the TRC would result in the characterisation of all irregular wars of liberation as tantamount to a gross violation of human rights. We cannot accept such a conclusion, nor will the millions of people who joined in the struggle to end the system of apartheid.’<sup>238</sup> [238 *The Citizen*, *The Star* 26 February 1999]

Earlier in his speech, Mr Mbeki said that subjugation of blacks by whites with ‘pass laws, the whip, the gallows, and cheap labour’ had begun with Jan van Riebeeck. ‘Out of it all were born the programmed killers who have spoken and will speak to the Amnesty Committee of the TRC of the terrible things they did to preserve the safety of the proverbial enclave of “European civilisation” perched precariously at the Cape of Good Hope ... It is this reality of a state founded on conquest that had to be retained by the

same means with which it was conquered, which led inevitably to the gross violations of human rights which constitute the heart of the work of the TRC.<sup>239</sup> [<sup>239</sup> *The Citizen* 26 February 1999]

Mr Dullah Omar, the minister of justice, said whites had failed to respond to the generosity of the victims of apartheid, and described apartheid as the greatest crime of all. ‘The new government,’ he continued, ‘faced a bitter irony in that those who were a party to a crime against humanity, but continue through the generosity of [Mr Mandela] and the new democratic order to participate in the new democracy, arrogantly refuse to acknowledge that they need to cleanse their hands, which for decades have been dripping with the blood and tears of millions of victims.’<sup>240</sup> [<sup>240</sup> *Financial Mail*, 5 March 1999]

The leader of the Democratic Party (DP), Mr Tony Leon, rejected the notion that opposition parties were included in Parliament on sufferance alone. He also accused the TRC of bias, ‘It failed us by choosing its targets selectively and not treating them in an even-handed manner.’ For example, the TRC had ‘neglected to look at the ruthless resort to violence that occurred in the trade union movement during the course of the liberation struggle’. This showed, he said, how ‘a good cause could be perverted’.<sup>241</sup> [<sup>241</sup> *Ibid*]

Mr Marthinus van Schalkwyk, leader of the New National Party (NNP), said that ‘the pain, suffering, and injustice of the apartheid era must never be allowed to happen again’. However, it was also time for the country to move on. The NNP called for ‘a pact between the responsible leaders of today to close the book on past conflict and despair and to open a new book for future hope’.<sup>242</sup> [<sup>242</sup> *Ibid*]

Speaking on behalf of the Inkatha Freedom Party (IFP), Mr Albert Mncwango MP, said the work of the commission had been ‘completely ineffective and counter-productive in exposing the truth of the black-on-black conflict in KwaZulu-Natal’. The TRC had ‘ignored the truth and jettisoned any hope that its deliberations could provide a basis for reconciliation’. It had been biased in its focus, while one of the commissioners, the Rev Khosa Mgojo, had personally been involved in supplying weapons to ANC members in Richmond for use against the IFP.<sup>243</sup> [<sup>243</sup> *Sowetan* 26 February 1999] (Mr Mncwango said affidavits to this effect had been made by Mr Sifiso Nkabinde, an erstwhile commander of an ANC-aligned self-defence unit (SDU) in Richmond. Mr Nkabinde was shot dead in Richmond in January 1999.)

The IFP described the report as a ‘clumsily crafted anecdotal mythology’, which had sought to give credibility to ‘liberation propaganda’. It said the TRC would be despised by ‘millions of IFP supporters who still lived with the sorrow of the killing of their loved ones and the wrong done to them’. The TRC report ‘would be consigned to the dustbin of history’, while genuine reconciliation could arise only from ‘finding and accepting the truth of the black-on-black conflict and atoning for it’.<sup>244</sup> [<sup>244</sup> Mncwango M A, ‘Address on the Report of the Truth and Reconciliation Commission, Parliament, 25 February 1999, p5]

Shortly after the parliamentary debate, the Pan-Africanist Congress (PAC) said that ‘history would pass a harsh verdict on the authors of the TRC’s report on the ills of apartheid’. The PAC welcomed the

ANC's 'belated' view that the struggle for liberation should not be criminalised. The PAC accused Mr Mbeki of double standards, however, saying the commission had been 'the ANC's brainchild'.<sup>245</sup> [<sup>245</sup> *Business Day* 2 March 1999]

An editorial in the *Sunday Times* commented that the ANC had been justified in leading an armed struggle against the apartheid state. However, the TRC report had demonstrated that 'there were abuses committed by the ANC's armed cadres which were morally no less repugnant than those committed by apartheid overlords'. Though these abuses, which 'were listed on a page or two of the five volume report' were 'massively outnumbered by the many hundreds of pages devoted to apartheid's institutional violence', the ANC had nevertheless taken grave offence at them. In essence, said the *Sunday Times*, Mr Mbeki had 'argued that the abuses committed by the ANC's cadres in the name of the liberation struggle should be overlooked because they were perpetrated in pursuit of a just cause, and one which was pursued within the framework of the Geneva Convention'. However, the newspaper continued, there was 'a danger that Mbeki and his party were over-glamorising the role of the armed struggle at the expense of the real reason for the demise of apartheid—the struggle waged by ordinary people on the streets of South Africa'. The argument between Mr Mbeki and the TRC also had implications for how the ruling party conducted itself. It indicated that 'the ANC saw itself as above criticism and as the sole repository of South African morality'.<sup>246</sup> [<sup>246</sup> *Sunday Times* 28 February 1999]

An editorial in *City Press* said the parliamentary debate had provided 'yet another opportunity for white South Africans and their political parties to make a clear and unequivocal statement on the country's apartheid past'. However, they had failed to do so. Instead, they had tried to argue that apartheid was 'not that bad', while the New National Party (NNP) had tried to 'justify the horrors of apartheid by levelling counter-charges about abuses in ANC camps in Angola and Tanzania'. The NNP's accusation that Mr Mbeki's 'forthright speech in the debate would lead to an increase in racial tensions was totally ludicrous', especially as it was the NNP that was whipping up white emotions. 'Mr Mbeki had done nothing more than to articulate the convictions of the majority of black South Africans.'<sup>247</sup> [<sup>247</sup> *City Press* 28 February 1999]

## The TRC and Other Court Actions

In April 1999 the leader of the United Democratic Movement, Mr Bantu Holomisa, said he was seeking R5m in damages from the TRC after being implicated by Colonel Eugene de Kock in the murder of Colonel Craig Duli, who was killed after leading an abortive coup against the Transkei administration in 1990. (Col de Kock, a former commander of a counter-insurgency police unit based at Vlakplaas (near Pretoria), had been convicted in 1996 on charges that included five counts of murder, one of culpable homicide, and 61 of fraud. He had been sentenced to two life sentences and a further 212 years' imprisonment, and had subsequently applied to the TRC for amnesty.)<sup>248</sup> [<sup>248</sup> Jeffery A, *The Natal Story: 16 years of conflict*, South African Institute of Race Relations, Johannesburg, 1997, pp759, 766] Col de Kock told the amnesty panel hearing in his application that Mr Holomisa had 'watched while Col Duli was executed in front of him'. Mr Holomisa said the TRC, contrary to its founding legislation, had failed to give him notice that



he would be implicated by Col de Kock. He accused the commission of ‘stage-managed sensationalism, designed to besmirch his good name’.<sup>249</sup> [<sup>249</sup> *The Star* 23 April 1999]

Dr Neil Barnard, a former director of the National Intelligence Service (NIS), was found accountable by the TRC in its report for the alleged role of the NIS in fomenting conflict, in which 60 people had died, in the Crossroads/KTC informal settlement outside Cape Town in 1986; in promoting a coup in the Seychelles in 1982; and in gathering intelligence that was ‘put to operational uses that included elimination’.<sup>250</sup> [<sup>250</sup> *Ibid* 5 November 1998] Dr Barnard instituted a court action against the TRC to have its findings on himself and the NIS set aside. He said that he was doing so ‘in his personal capacity as well as on behalf of the members of the NIS’, who had ‘dedicated their lives to a process of peaceful transition’ and had been ‘publicly branded as having been involved in atrocious activities’.<sup>251</sup> [<sup>251</sup> *Ibid* 5 November, 4 December 1998] These proceedings remained in progress at the time of writing.

In 1997 Mr P W Botha had been prosecuted for having ignored a subpoena issued by the TRC to appear before it and answer its allegations regarding, among other things, the role of the former State Security Council in political violence. In August 1998 he was convicted and sentenced to a fine of R10 000 or 12 months’ imprisonment, coupled with a further 12 months conditionally suspended.<sup>252</sup> [<sup>252</sup> *Sowetan* 2 June 1999] He successfully appealed against his conviction. The Cape Provincial Division of the High Court ruled in June 1999 that the subpoena had been technically invalid.<sup>253</sup> [<sup>253</sup> *Ibid* 3 June 1999] Various findings were made by the TRC against Mr Botha (see *The TRC’s main ‘findings and conclusions’*, above), while he has since been implicated, during amnesty hearings, in the supply of booby-trapped hand grenades to activists in Duduza (east Rand). These were supplied at the order of General Johann van der Merwe, and had been modified so that they would explode immediately, rather than after a certain time. Eight activists died in this way in June 1985.<sup>254</sup> [<sup>254</sup> *Business Day*, *The Citizen* 3 August 1999]

## Assessments of the TRC’s Report

In April 1999 four retired defence force generals, General Jannie Geldenhuys, General Magnus Malan, General Georg Meiring, and General Constand Viljoen, published a 60-page analysis of the TRC’s report. They stated, among other things, that the TRC had not taken into account the submissions put to it by the South African Defence Force (SADF), and had sometimes ‘deliberately manipulated facts and quotations’. The analysis listed ‘a host of factual errors’ in the TRC’s report, and alleged that various senior officers had been linked to military operations in which they had played no part. In addition, they had not been notified by the TRC, as required by its founding legislation, that adverse findings were to be made against them.<sup>255</sup> [<sup>255</sup> *Business Day* 30 April 1999, *Rapport* 2 May 1999]

In July 1999 the South African Institute of Race Relations published a detailed assessment of the TRC’s report entitled *The Truth about the Truth Commission* (Spotlight 3/99), by Dr Anthea Jeffery, special research consultant at the Institute.

The Institute's analysis commended the TRC for having 'captured some of the horror of the killings and other outrages perpetrated in the name of apartheid'. It also identified apartheid as 'a lethal system', and castigated the former government for pronouncements that were 'predictably interpreted by policemen or soldiers as a licence to kill'. It further commended the TRC for its graphic account of how the former government and its security forces had, among other things, detained activists for prolonged periods, subjected many of these individuals to brutal torture, whipped up white anger by invoking *swartgevaar*, called on policemen to "eliminate" those challenging NP rule, engaged in the extra-judicial execution of key ANC alliance leaders, entrapped and killed groups of youthful activists, and opened fire on peaceful protesters without provocation or even adequate warning.

The book further commended the TRC for having 'helped some of the victims of gross violations come to terms with their grief by giving them a chance to tell the stories of their suffering'. It acknowledged how heartfelt and heartrending the accounts provided by victims had been, and said 'nobody could fail to be moved by the testimony of people who had been abused or tortured, or of families who had lost a son, a daughter, a brother, a sister, or husband, or a wife'.

The book also pointed out that the TRC's main findings (see *The TRC's main 'findings and conclusions'*, above) seemed, on the surface, to be balanced and comprehensive, as the commission had issued condemnations all around. It added, however, that the report was nevertheless fundamentally flawed. This was because of the flawed methodology the TRC had employed, as well as the significant events and issues it had left out of its account. In essence, the problem with the TRC's report was that the commission had:

- based 'findings' of 'accountability' for matters as serious as premeditated murder on untested, uncorroborated, and often hearsay allegations;
- reached major conclusions about culpability when 92% of relevant amnesty statements had still to be heard;
- failed, despite its legal obligation to be comprehensive and even-handed, to explain at least 12 000 political killings;
- ignored some 2 300 gross violations, for which indemnity or release from prison had earlier been granted without full disclosure being required;
- gave repeated attention to certain events and issues, but left out others of equal importance, including various massacres it must have known about;
- relied on secret testimony and the self-serving accusations of criminals seeking to avoid imprisonment;
- generally omitted to give proper reasons for its findings of accountability;

- on occasion, misrepresented earlier judicial rulings, attributing to judges findings or statements that they had not made; and
- denigrated the notion of factual truth and deployed three new types of ‘truth’, ‘narrative’, ‘dialogue’, and ‘healing’.

Dr Jeffery’s study said that one example of the way in which the TRC sometimes misrepresented judicial findings arose from a massacre of 18 hostel dwellers in Tokoza (east Rand) in September 1991. The Commission of Inquiry Regarding the Prevention of Public Violence and Intimidation, chaired by Mr Justice Richard Goldstone and commonly known as the Goldstone commission, had investigated these deaths. Judge Goldstone found that the hostel dwellers had been killed in a three (or four-) pronged ambush planned and executed by a self-defence unit in the neighbouring informal settlement of Phola Park. He declined to name any individual as culpable on the basis that he lacked sufficient evidence to do so.<sup>256</sup> [<sup>256</sup> Goldstone R J, *Report of the Inquiry Conducted by the Committee of Inquiry into the Violence at Tokoza*, Pretoria, 17 November 1992, pp8–15] The TRC, however, in making its findings on this incident, stated that Judge Goldstone had found that the killings had been perpetrated by a police informer, Mr Mncugi Ceba.<sup>257</sup> [<sup>257</sup> TRC Report, vol 3, pp696–697] Judge Goldstone had made no such finding, however.

The study also said that the TRC had disregarded a number of other earlier judicial rulings, and did so without citing evidence or reasons for effectively overturning them. It had done this, for example, as regards the massacre of 45 ANC supporters in Boipatong (Vaal Triangle) in June 1992. Two external inquiries had found no evidence of police involvement.<sup>258</sup> [<sup>258</sup> Waddington P A J, ‘Report of the Inquiry into the Police Response to, and Investigation of, Events in Boipatong on 17 June 1992’, 20 July 1992, pp2–4; Malan R, ‘A question of spin’, *Frontiers of Freedom*, no 20, second quarter 1999, pp26–35, 29] A criminal court, in subsequently trying some 30 IFP supporters for murder for their alleged part in the massacre, heard some 120 residents of Boipatong and three participants in the killings give (tested) evidence that the police had played no part in the massacre. The two principal witnesses who alleged police involvement had been conclusively discredited. The court had concluded that the police had not been involved in the massacre (and found 17 IFP supporters guilty of the killings).<sup>259</sup> [<sup>259</sup> *State v Zulu and others*, transcript of judgement by Mr Justice J M C Smit, Transvaal Provincial Division of the Supreme Court, Pretoria, March 1994, p3733] The TRC cited this court ruling, as well as the two inquiries. It then proceeded to hold the South African Police (SAP) accountable for the Boipatong killings, on the basis that policemen had both planned and helped to execute the massacre.<sup>260</sup> [<sup>260</sup> TRC Report, vol 3, pp689–690] It cited no new evidence and no reasoning to justify its finding.

Dr Jeffery commented that further contradictions had arisen in the context of the killing of 11 people at Trust Feed (a town near New Hanover, in the KwaZulu-Natal Midlands) in December 1988. Captain Brian Mitchell of the SAP was tried for his part in this massacre in 1992. He was convicted on 11 counts of murder, for which he was sentenced to death 11 times.<sup>261</sup> [<sup>261</sup> *State v Van den Heever and others*, transcript of judgement by Mr Justice Andrew Wilson, Natal Provincial Division of the Supreme Court of South Africa, Pietermaritzburg, April 1992, p4613] (though these death sentences were later commuted to 30 years’ imprisonment).<sup>262</sup> [<sup>262</sup> TRC

Report, vol 3, p201, note 21] Crucial to the imposition of the death sentences was the trial court's conclusion that Capt Mitchell had not only been present at the house where the massacre took place, but also had fired the first two shots into the dwelling as a signal to four special constables for the killings to begin.<sup>263</sup> [<sup>263</sup> State v Van den Heever, pp4613, 4806, 44809] However, in applying for amnesty to the TRC in 1996, Capt Mitchell denied that he had ever been present at the house.<sup>264</sup> [<sup>264</sup> Transcript of amnesty application of Mr Brian Victor Mitchell, Pietermaritzburg, 16 October 1996, pp105–106, 112, 124-125, 131, 148] His testimony had been accepted as the truth by an amnesty panel that included the trial judge who had earlier sentenced him to death. He was granted amnesty on the basis that he had made a full disclosure.<sup>265</sup> [<sup>265</sup> Transcript of amnesty decision: Brian Victor Mitchell, Application No 22586/96, p2] The TRC had thus effectively reversed the finding of the trial judge on a crucial issue. It cited no new evidence and no reasoning to substantiate this.

The TRC had also left out various massacres, including one that was similar in various ways to the Trust Feed killings. In the Trust Feed massacre, as noted above, police collaborated with Inkatha to attack the UDF (although 11 Inkatha members were killed by mistake in the wrong house). At KwaShange (KwaZulu-Natal Midlands), about a year before the Trust Feed massacre, a policeman had acted with UDF supporters to attack Inkatha members, of whom 13 were killed.<sup>266</sup> [<sup>266</sup> State v Hlengwa and others, transcript of judgement by Mr Justice N S Page, Natal Provincial Division of the Supreme Court, Pietermaritzburg, April 1988, pp775, 777] No reference was made in the TRC report to the KwaShange massacre.

Other multiple killings had also been omitted, the Institute's book said, including massacres of IFP supporters at Richmond (KwaZulu-Natal Midlands) in March 1991, at Crossroads and Zonkizizwe (east Rand) in April 1992, and at Patheni (near Richmond) in August 1992.<sup>267</sup> [<sup>267</sup> Jeffery A, *The Truth about the Truth Commission*, South African Institute of Race Relations, Johannesburg, 1999, pp89–90]

The book reported that many of the 12 000 political killings referred to above must have occurred in the early 1990s, when political violence was at its most intense.<sup>268</sup> [<sup>268</sup> 1995/96 Survey, pp51–52] Altogether, almost 15 000 people died in the period from February 1990 to May 1994,<sup>269</sup> [<sup>269</sup> Ibid] far more than at any other time in the commission's 34-year mandate period. Yet the TRC gave comparatively little attention to the events of the early 1990s.<sup>270</sup> [<sup>270</sup> TRC Report, vol 5, p206] It based its primary finding on its earlier conclusions that the security forces and the IFP were together responsible for 7 200 deaths out of 8 500.<sup>271</sup> [<sup>271</sup> Ibid, pp232–233] Yet the 8 500 killings for which the TRC purported to account were far fewer than the 12 000 killings it had left out altogether.

## **The Activities of the TRC's Three Committees**

The Committee on Gross Violations of Human Rights was primarily responsible for gathering evidence regarding gross violations committed in the past, and determining accountability for them. It finished collecting evidence at the end of July 1998, and began winding up its activities. In August 1999 one of the commissioners, Ms Yasmin Sooka, said that the victim database had been completed and a full list of

victims developed. Reviews of victim status would be concluded by the end of August 1999, while ‘summaries of victims’ findings would be done by October’. November, she said, had been set aside to identify uncompleted tasks.<sup>272</sup> [<sup>272</sup> *Sowetan* 16 August 1999]

- The Committee on Amnesty, at the time of writing, was continuing to hear applications for amnesty, and was scheduled to do so for the remainder of 1999 (and possibly thereafter as well).<sup>273</sup> [<sup>273</sup> *The Citizen* 27 March 1999] In the period under review, it granted amnesty to:

- Mr Jacques Hechter and other former policemen for various human rights abuses,<sup>274</sup> [<sup>274</sup> *Sowetan* 24 February 1999] including the murder of Dr Fabian Ribiero and his wife, Florence, in Mamelodi (Pretoria) in 1986;<sup>275</sup> [<sup>275</sup> 1986 *Survey* Part 2, p537]

- Inspector Jeff Benzien,<sup>276</sup> [<sup>276</sup> *Sowetan* 6, 22 February 1999] who had applied for amnesty for the torture in the 1980s of various ANC leaders, including Mr Tony Yengeni;<sup>277</sup> [<sup>277</sup> 1997/98 *Survey*, p530]

- two former Umkhonto we Sizwe cadres, Messrs Ian Ndibulele Ndamela and Pumzile Mayaphi, who were granted amnesty ‘on the spot’ (on the strength of their mutually supportive affidavits),<sup>278</sup> [<sup>278</sup> *Business Day* 29 April 1999] for a bomb attack on the Wild Coast Sun casino in April 1986 that left two people dead and three injured.<sup>279</sup> [<sup>279</sup> 1986 *Survey*, Part 2, p531]

- Mr Adriaan Vlok, a former minister of law and order, and the only former cabinet member to apply for amnesty, for ordering the 1988 bombing of Khotso House (the Johannesburg headquarters of the South African Council of Churches), allegedly on the instruction of Mr P W Botha;<sup>280</sup> [<sup>280</sup> *The Star* 30 June 1999; see also Goldstone R J, ‘Report on the Inquiry Conducted by the Committee of Inquiry into the Violence at Tokoza’, Commission of Inquiry Regarding Public Violence and Intimidation, Pretoria, 17 November 1992, pp30–33] and

- Mr Michael Phama, for the killing of 20 IFP supporters and a traffic officer on the east Rand between September 1991 and March 1992.<sup>281</sup> [<sup>281</sup> *The Citizen* 8 March 1999]

The amnesty committee refused to grant amnesty to:

- the four policemen<sup>282</sup> [<sup>282</sup> See 1978 *Survey*, p119–121] allegedly responsible for the death of Mr Steve Biko in September 1977;<sup>283</sup> [<sup>283</sup> *Business Day* 9 April 1999]

- Messrs Clive Derby-Lewis and Janus Walusz,<sup>284</sup> [<sup>284</sup> 1993/94 *Survey*, p91] for the killing of Mr Chris Hani in April 1993;<sup>285</sup> [<sup>285</sup> *The Citizen* 19 June 1999] and

- the four policemen<sup>286</sup> [286 1985 *Survey*, p41] involved in the abduction and killing of three leaders of the Black Civic Organisation in Port Elizabeth (Pebco) in 1985.<sup>287</sup> [287 Laurence P, 'What the TRC won't tell you', *Focus*, Helen Suzman Foundation, July 1998, pp2–5]

In all, some 1 700 of the amnesty applications submitted to the TRC concerned gross violations of human rights. Some 750 of these applications were submitted by members or supporters of the ANC, and some 350 emanated from the side of the former security forces.<sup>288</sup> [288 *The Sunday Independent* 23 August 1998] (For details of some of the work of the amnesty committee and certain of its other amnesty decisions, see 1996/97 Survey, pp626–633 and 1997/98 Survey, pp524–531.)

In August 1998 the Centre for the Study of Violence and Reconciliation warned that amnesty decisions were often inconsistent with one another. The amnesty committee, it stated, seemed to be experiencing particular difficulty in deciding whether applicants had made a full disclosure, or had demonstrated a proportionality between their misdeeds and the political objective being pursued. It said it found no evidence of bias in amnesty decisions, but that 'the contradictions among decisions' could create the impression that the committee had been influenced by political considerations. It added that the contradictions could lead to lengthy review proceedings before the courts (which the amnesty process had been intended to preclude).<sup>289</sup> [289 *Business Day*, *The Citizen*, *The Star* 4, 5 March 1999]

In November 1997, 37 senior ANC leaders, including Mr Mbeki, had been granted amnesty in chambers for their collective responsibility for (undisclosed) acts 'committed in the course of the just war against the system of apartheid within the framework of ANC policy'. The decision was set aside by the Cape Provincial Division of the High Court in May 1998 (see 1997/98 Survey, pp525–526). A new amnesty panel, convened to consider the applications afresh, ruled in March 1999 that the applications of 27 of these leaders (including Mr Mbeki) did not qualify for the granting of amnesty. They fell outside the ambit of the commission's founding legislation, which did not cater for the assertion of a collective responsibility on the part of organisations.<sup>290</sup> [290 *The Citizen* 7 April 1999] Thereafter the amnesty applications lodged by a further 79 ANC leaders, including seven ministers and three deputy ministers, were likewise rejected by the TRC.<sup>291</sup> [291 TRC Report, vol 5, pp185–186]

In the TRC's October 1998 report, the Committee on Reparation and Rehabilitation repeated proposals it had earlier made for appropriate relief for victims of gross violations of human rights (see 1997/98 Survey, p541). It recommended, in particular, that R2.86bn be made available over six years to pay to each of an estimated 22 000 victims an amount of some R21 700 annually over that period. It advocated that payments be made from the President's Fund, which would accrue the necessary resources from 'the national fiscus, international and local donations, and interest earned'.<sup>292</sup> [292 *Business Day* 2 November 1998] The commission also recommended that funds be raised through the introduction of a wealth tax, a once-off reparations levy on business, the donation by listed companies of 1% of their market capitalisation, and a retrospective surcharge on corporate profits extending back to a specified date.<sup>293</sup> [293 TRC Report, vol 5, pp188–190]

The committee further proposed that victims be accorded ‘symbolic’ restoration through the renaming of streets, the erection of monuments, and the holding of a national day of remembrance.<sup>294</sup> [<sup>294</sup> Ibid, pp190–194] It also advocated various measures aimed at community rehabilitation, including a demilitarisation programme for youths earlier involved in violence, the resettlement of thousands of ‘internal’ refugees driven from their homes by political conflict, and the establishment of accelerated adult basic education and training programmes for those deprived of educational opportunities in the past.<sup>295</sup> [<sup>295</sup> Ibid p182] At the time of writing, the government had yet to act on these proposals.

The committee had earlier recommended the payment of urgent interim reparation (in general, to a maximum of R2 000 per person) to victims in urgent need of assistance. To expedite the process, payments were made through the President’s Fund, the first interim payments being effected in July 1998.<sup>296</sup> [<sup>296</sup> *Sowetan* 16 August 1999] By August 1999 some 3 200 victims had been given urgent interim reparations, amounting on average to R3 500 per person, while a further 3 000 applications were to be sent to the President’s Fund that month, and yet more claims for interim relief were expected to arise from the amnesty process.<sup>297</sup> [<sup>297</sup> *Sunday Times* 7 February 1999]

In February 1999 the ANC indicated that the government might not provide the final reparations that had been proposed by the committee for the 22 000 or so victims of gross violations of human rights. Instead of making payments to individuals, the government might seek to make symbolic reparations to communities and the nation as a whole. This, indicated Mr Kgalema Motlanthe, secretary general of the ANC, was partly because it was impossible to ‘attach a monetary value to the suffering’ that victims had endured. Mr Motlanthe added that the ANC had not yet taken a formal position on the matter. A TRC spokesman, Mr Mdu Lembede, added that this was an issue for the legislature to resolve: ‘If Parliament decides not to opt for individual payments, then it has the right to do so.’<sup>298</sup> [<sup>298</sup> Ibid 7 February 1999]

The head of the TRC’s reparations committee, Ms Hlengiwe Mkhize, responded that this would mean a ‘double loss’ for victims. ‘At the time the TRC was set up the government entered into a social contract: there was an agreement that the perpetrators would be granted amnesty and their victims would give up the right to pursue civil claims. In exchange, victims would be granted compensation by the state.’ Although many had received interim relief from the President’s Fund, those payments were intended to provide limited assistance only, while the government and Parliament discussed reparation.<sup>299</sup> [<sup>299</sup> *Sowetan* 16 August 1999]

In August 1999 Ms Mkhize added that many victims, who had bared their scars in public, should not be left adrift. The government, she noted, had established an interministerial task team responsible for developing an integrated approach to victims requiring services. TRC representatives had also held regular meetings with government leaders. Ms Mkhize added that people’s ‘basic needs’ must at least be met, notwithstanding constraints on government resources. The Department of Justice stated that the matter was being tabled in Parliament for its consideration before the end of 1999. Parliament would have to decide the issue and ‘provide clear guidelines’ on the matter, whether through legislation or

regulations.<sup>300</sup> [300 TRC Report, vol 5, p309]

## Possible Prosecution of Perpetrators

The TRC recommended in its report that prosecutions be brought against those it had identified as perpetrators of gross violations of human rights. Prosecutions should also be brought, it urged, against perpetrators who had been denied amnesty, or who had failed to apply for this.<sup>301</sup> [301 *The Star* 30 October 1998] This was necessary to build respect for the rule of law, while any introduction of a general amnesty for offenders would foster ‘a culture of impunity’.<sup>302</sup> [302 *Ibid* 30 October 1998] The TRC called on prosecutors to ‘pay rigorous attention to bringing to book members of the former South African Police (SAP) found to have assaulted, tortured, or killed people’. The TRC said it would give a copy of its report to the national director of public prosecutions, Mr Bulelani Ngcuka, so that the necessary steps could be taken.<sup>303</sup> [303 *Sunday Tribune* 1 November 1998]

Those identified as perpetrators in the TRC’s report included various prominent political leaders, including Mr P W Botha, Chief Mangosuthu Buthelezi, Mrs Winnie Madikizela-Mandela, and General Constand Viljoen of the Freedom Front. Various senior officers in the former intelligence services and security forces were also identified as perpetrators, including Dr Neil Barnard, a former director of the National Intelligence Service; General Magnus Malan, a former minister of defence; General Johan van der Merwe, a former commissioner of the SAP; and Mr Adriaan Vlok, a former minister of law and order.<sup>304</sup> [304 *Business Day* 5 March 1999]

Following the refusal of amnesty to 27 ANC leaders, including Mr Mbeki (see above), the ANC and most opposition parties said that a means other than prosecution would have to be found to ‘close the book on the past’. The country could not afford a series of trials or continued suspicion about the past ‘struggle’ activities of such leading figures as Mr Mbeki. The Freedom Front said it was not tenable to contemplate prosecutions of current cabinet ministers, former politicians, or erstwhile security force members. The New National Party added that the ANC faced prosecutions of its leaders as well as civil claims for the ‘thousands of innocent civilians killed at the behest’ of its national executive committee. It said that indemnity would have to be granted on an administrative basis similar to that which had pertained under the Further Indemnity Act of 1992. (This had allowed indemnity in the interests of reconciliation and without having to make full disclosure.) Mr Omar said he was considering an amendment to the Promotion of National Unity and Reconciliation Act of 1995 to prevent the possibility of endless civil litigation against the government and structures involved in earlier conflict.<sup>305</sup> [305 *Ibid* 29 April 1999] At the time of writing, it remained uncertain whether such an amendment would be introduced.

A special prosecutions unit, led by the deputy national director of public prosecutions, Dr Jan D’Oliveira, was established by Mr Ngcuka in late 1998 to pursue criminal charges against alleged perpetrators who had not been granted amnesty by the TRC, or had not applied for this. TRC officials and prosecutors have been requested to transfer all relevant files to this unit. Hundreds of cases are



under investigation, and more may be added as amnesty applications continue to be processed.<sup>306</sup> [<sup>306</sup> Now come 'Nuremberg style' trials of violators, *Southern Africa Report* 7, 12 March 1999] According to a spokesman, Mr Siphon Ngwema, the unit—in deciding whether to initiate a prosecution—will take into account factors such as the age and health of the alleged wrongdoer, as well as whether a trial would be 'in the public interest'.<sup>307</sup> [<sup>307</sup> *Business Day* 29 April 1999] According to Dr D'Oliveira, it will take about six years to complete the envisaged prosecution process. Moreover, since 'mere allegations did not constitute proof', the unit would have to apply a 'pure legal test' and would not prosecute unless there was a reasonable prospect of success.<sup>308</sup> [<sup>308</sup> *The Star* 20 July 1999]

In July 1999 Mr Penuell Maduna, who was appointed minister of justice after the general election held on 2nd June 1999, announced that the cabinet had decided that South Africa should ratify the International Convention on the Suppression and Punishment of the Crime of Apartheid. (The convention had been adopted and opened for signature, ratification, and accession by the General Assembly of the United Nations in November 1973 and had come into operation in July 1976.) The convention declares apartheid a crime against humanity and prohibits murder, torture, and persecution for the purpose of establishing or maintaining domination by one group over another. Signatory states are required to punish people guilty of these crimes, and the convention could thus be used to prosecute members of the former NP government. The government has denied that this is its intention. It has said the convention will not be applied retroactively because 'the TRC has already dealt with the injustices of apartheid'.<sup>309</sup> [<sup>309</sup> *The Citizen* 20 July, *Finance Week* 30 July 1999] However, added Mr Maduna, the government was committed to 'the eradication of all forms of apartheid or racial discrimination' and would initiate 'legislative, judicial, administrative, or other measures' to do so. It would also, as required under the convention, submit regular reports to the United Nations Commission on Human Rights on its progress in this regard. (The cabinet's decision to ratify the convention requires legislative endorsement, and the necessary bill has been drawn up and is to be submitted to Parliament for enactment.)<sup>310</sup> [<sup>310</sup> *The Citizen* 27 July 1999]

In the same month, the South African Human Rights Commission (HRC) warned against prosecuting perpetrators of gross violations of human rights. This, said Dr Barney Pitso, chairman of the HRC, would 'only drag out the pain without any guarantee of convictions'. Prosecutions would also raise the hope of victims, while requiring resources urgently needed for other purposes. In addition, selectivity in prosecutions would have to be avoided. Hence, 'the simplest solution would be to say that those who had escaped the net of the TRC must receive forgiveness by the nation'. The Democratic Party responded that the introduction of a blanket amnesty would be 'a betrayal of the TRC process', and said the HRC should be 'at the forefront of those protesting' against any moves by the government in this direction.

## Independent Electoral Commission

The Independent Electoral Commission is an independent statutory body whose function is to administer elections and ensure that they are free and fair. The chairman of the Independent Electoral Commission

(IEC), Mr Justice Johann Kriegler, resigned with effect from 1st February 1999. He said that government encroachment on the independence of the commission lay at the root of his decision. Since his appointment in July 1997, he had clashed with government over the budget of the commission (R550m was granted for the 1999 election as opposed to the R900m Judge Kriegler said was necessary) and government's insistence on barcoded identity documents (see *Constitutional disputes* above).<sup>311</sup> [<sup>311</sup> *Business Day* 27 January 1999] In correspondence with the deputy president, Mr Thabo Mbeki, he said the commission had lost the power to compile a voters' roll 'free of government let or hindrance'.<sup>312</sup> [<sup>312</sup> *Ibid* 29 January 1999] Ms Brigalia Bam was subsequently appointed chairwoman of the commission. She said that R550m was sufficient to run the 1999 election. In the 1999/2000 budget, the commission was allocated some R714m.<sup>313</sup> [<sup>313</sup> *Ibid* 22 October 1998]

The commission faced several Constitutional Court cases as the election drew near (see *Constitutional disputes* above). All political parties accepted the results of the 1999 election as reflecting a free and fair election (see *Problems in the election* above).

## National Director of Public Prosecutions

Mr Bulelani Ngcuka was appointed national director of public prosecutions in August 1998. Mr Ngcuka was formerly an African National Congress (ANC) MP and deputy chairman of the National Council of Provinces. The National Party described his appointment as 'another example of the ANC's aggressive drive to politicise South African society and institutions'.<sup>314</sup> [<sup>314</sup> *Ibid* 17 July 1998]

The National Prosecuting Authority Act of 1998 gave the national director of public prosecutions authority over directors of public prosecutions (formerly attorneys general), state advocates, and public prosecutors (see also 1997/98 Survey, pp27, 82).<sup>315</sup> [<sup>315</sup> *Ibid* 1 April 1999] The national director could veto any decision to proceed or not to proceed with a prosecution taken by a provincial director. Mr Ngcuka was criticised for exercising this discretion in the matter of the 'Eikenhof three' soon after his appointment (see *The Judiciary* above). In April 1999 Mr Willie Hofmeyr, parliamentary adviser to the deputy president, was appointed head of the asset forfeiture unit in Mr Ngcuka's office.<sup>316</sup> [<sup>316</sup> *Ibid* 15 April 1999]

## Pan South African Language Board

For an outline of the board's functions, see 1995/96 Survey pp5, 524. The Pan South African Language Board Amendment Act of 1999 required the board to establish dictionary-making bodies for all 11 official languages.<sup>317</sup> [<sup>317</sup> *Ibid* 24 February 1999] The board said in 1999 that the tendency of national and provincial legislatures and governments to use English only was an erosion of the constitutional provisions regarding language. This could lead to disregard for other aspects of the constitution, the board said.<sup>318</sup> [<sup>318</sup> *Ibid* 15 April 1998]

## Public Protector

The public protector, Mr Selby Baqwa, could investigate ‘any conduct in state affairs’ that is ‘suspected or alleged to be improper or result in any impropriety or prejudice’.<sup>319</sup> [<sup>319</sup> Section 182(1), Constitution of the Republic of South Africa of 1996] In 1997 the office of the public protector received 3 320 complaints.<sup>320</sup> [<sup>320</sup> *Business Day* 5 August 1998] Between January 1998 and July 1999 the office opened a further 6 231 cases.<sup>321</sup> [<sup>321</sup> Telephonic interview with Ms Marelise Schmidt, office of the public protector, 28 July 1999]

The government announced in November 1998 that it would quadruple the size of the public protector’s office from 32 to 150 personnel to deal with a backlog of 2 500 cases. Two new investigative branches would be established.<sup>322</sup> [<sup>322</sup> *Business Day* 11 November 1998] The expansion would be phased in over three to five years.<sup>323</sup> [<sup>323</sup> *Ibid* 27 November 1998]

In July 1998 the leader of the New National Party (NNP), Mr Marthinus van Schalkwyk, referred the appointment of Mr Tito Mboweni as governor designate of the South African Reserve Bank to Mr Baqwa, on the basis that it was in conflict with the constitution, which guaranteed the reserve bank’s independence. Mr Mboweni was a member of the African National Congress and minister of labour at the time of the appointment.<sup>324</sup> [<sup>324</sup> *Ibid* 16 July 1998] Mr Baqwa found there was no *prima facie* case to investigate the appointment. He rejected an allegation by the NNP that he had bowed to pressure from the president’s office.<sup>325</sup> [<sup>325</sup> *Ibid* 7 October 1998]

In November 1998 it was alleged by the *Mail and Guardian* that Mr Baqwa attempted to protect Professor Aubrey Mokadi, rector of the Vaal Technikon, who was suspended for nepotism and misappropriation of funds, from censure. In one of six letters written to the council, Mr Baqwa endorsed the threat by the minister of education, Professor Sibusisu Bengu, to cut off funding if the council proceeded with the suspension. A commission of inquiry headed by Mr Ronald Sutherland SC found Professor Mokadi guilty on five counts of misconduct.<sup>326</sup> [<sup>326</sup> *Mail & Guardian* 13 November 1998] Mr Baqwa denied the allegations and said he intended taking the matter up with the press ombudsman and the Print Media Association.<sup>327</sup> [<sup>327</sup> *The Citizen* 14 November 1998]

Mr Baqwa investigated 20 allegations of nepotism in public service appointments, including the appointment of Major General Jackie Sedibe, wife of Mr Joe Modise, the minister of defence, as South Africa’s first woman general. He did so after requesting a list of allegations from the NNP, after it had asked for a general investigation into nepotism in government (see *Nepotism* below). Mr Baqwa said he had found ‘not one instance’ where one of these allegations was justified. In the case of Major General Sedibe, he said her appointment was on merit. However, to prevent any perception of favouritism, Mr Modise should have recused himself from considering her appointment, he said.<sup>328</sup> [<sup>328</sup> *Business Day* 4 May 1999; press release from the office of the public protector, 1 May 1999]

## Volkstaat Council

The Volkstaat Council was set up in 1994 to investigate the implementation of the right to territorial self-determination of any community embodying a common cultural and language heritage (see 1997/98 Survey, pp477–478). In essence, its main function was to provide a forum for the pursuit of the idea of an independent state for the Afrikaner community. It was officially disbanded at the end of March 1999.<sup>329</sup> [<sup>329</sup> *Business Day* 1 April 1999] The minister of constitutional development and provincial affairs, Mr Mohammed Valli Moosa, said the council was ‘part of the politics of transition’. The Commission for the Promotion and Protection of the Rights of Cultural, Religious, and Linguistic Communities, which was expected to take over the functions of the Volkstaat Council, was established in August 1998.<sup>330</sup> [<sup>330</sup> *Ibid* 13 May 1998] (See *Commission for the Promotion and Protection of the Rights of Cultural, Religious, and Linguistic Communities* above.)

## OTHER SPECIAL BODIES

### Heath Special Investigating Unit

Mr Justice Willem Heath was appointed head of a special investigating unit, termed the Heath Special Investigating Unit, established in 1997 in terms of the Special Investigating and Special Tribunals Act of 1996. The function of the unit was to recover public funds lost to corruption and maladministration. The unit had wide powers to enter and search premises, to seize documents, and subpoena witnesses in order to obtain evidence. Special tribunals could make rulings on the seizure of assets or the repayment of money to the state, or issue an urgent interdict to halt corrupt practices, based on this evidence. These powers were criticised in the press for bypassing court structures.<sup>331</sup> [<sup>331</sup> Heath Special Investigating Unit, *Interim Report 1998/99*]

The unit’s practice of negotiating payments of its expenses from funds recovered from public administrations, and paying recovered funds directly to the departments concerned, led to a dispute with the minister of finance, Mr Trevor Manuel, who questioned the amount the unit claimed to have recovered.<sup>332</sup> [<sup>332</sup> *Business Day* 2 March 1998] The dispute was referred to the auditor general. Judge Heath had told Parliament in March 1998 he had thus far ‘recovered or saved’ R840m in state assets and funds. The auditor general found that the figure was in fact R1.3bn, of which R60m was actual cash recovery.<sup>333</sup> [<sup>333</sup> *Ibid* 17 July 1999]

The unit began proceedings in late 1998 against the minister of health, Dr Nkosazana Zuma, and others, on the basis of negligence, for the recovery of R10.5m. The money was spent on the production of an anti-AIDS play, *Sarafina II*.<sup>334</sup> [<sup>334</sup> *The Star* 24 August 1998] The investigation resulted from a request to investigate the issue by the former director general of health, Dr Olive Shisana.<sup>335</sup> [<sup>335</sup> *Business Day* 16 November 1998] (See 1996/97 Survey, p550, and 1997/98 Survey, p475.) The deputy president, Mr Thabo Mbeki, issued a statement defending the minister. The departments of finance, state expenditure, and health withdrew as plaintiffs in the case against Dr Zuma and four other defendants, including the

playwright, Mr Mbongeni Ngema, thus leaving the unit as the sole litigating party.<sup>336</sup> [<sup>336</sup> *The Star* 18 November 1998] The public protector's office supported the unit but said it was unsure whether the unit sued the correct parties.<sup>337</sup> [<sup>337</sup> *The Citizen* 19 November 1998] The minister of justice, Mr Dullah Omar, said in November 1998 that the unit had erred in suing Dr Zuma, as it was the responsibility of the director general to ensure funds were available for the implementation of ministerial directives, and not the minister.<sup>338</sup> [<sup>338</sup> *Business Day* 23 November 1998] In early 1999 the unit withdrew its case against the minister.

The unit began an investigation into a 'lifeboat' transaction of R1.5bn by the South African Reserve Bank to Bankorp (subsequently bought by Absa Bank). The 'lifeboat' transaction had been made at an interest rate of 1% a year between June 1990 and April 1992. About R1.1bn was invested in government stock and R400m placed on deposit with the reserve bank. The transaction resulted in Absa's earning R225m a year for five years. This amount was never repaid by Absa. This transaction was criticised as amounting to a state organ secretly assisting a private company, thus benefiting its shareholders. Dr Chris Stals, governor of the reserve bank, said the transaction was in keeping with international norms.<sup>339</sup> [<sup>339</sup> *The Sunday Independent* 27 December 1998] In November 1999, Judge Heath announced that the transaction had been illegal but that his unit would proceed no further against Absa as this might undermine the country's banking system. This decision was widely criticised.

In June 1998 Mr Omar raised the possibility of rationalising the functions of the unit and those of the public protector, by establishing one anti-corruption centre under one cabinet committee member.<sup>340</sup> [<sup>340</sup> *The Citizen* 7 June 1998] Judge Heath opposed any rationalisation which would compromise the independence of the unit and its apolitical nature.<sup>341</sup> [<sup>341</sup> *Business Day* 8 October 1998]

## **National Youth Commission**

The National Youth Commission published a green paper on a national youth service in November 1998. The paper proposed compulsory service for some sectors of youth, including doctors, lawyers, and other professionals, and voluntary service for others.<sup>342</sup> [<sup>342</sup> *Ibid* 4 November 1998] In January 1999 the commission proposed that a youth unit be established in the president's office to ensure that government departments set aside a portion of their budgets for youth service programmes.<sup>343</sup> [<sup>343</sup> *Ibid* 22 January 1999]

## **Independent Complaints Directorate**

The Independent Complaints Directorate (ICD), established in April 1997, investigated complaints lodged against the police, and deaths in police custody. According to its executive director, Mr Neville Melville, by the end of 1998 the directorate had dealt with 3 891 complaints and inquiries. It had investigated 365 complaints, while 1 425 had been referred to the police for investigation, and 147 to the national director of public prosecutions. Prosecutions were instituted in 57 cases overall.<sup>344</sup> [<sup>344</sup> *Ibid* 17 February 1999] (See also chapter on *Security*.) Mr Melville said in a briefing to Parliament in early 1999

that the directorate faced the possibility of being ‘swamped’ and was unable to meet its statutory and constitutional obligations.<sup>345</sup> [<sup>345</sup> Ibid 3 March 1999] The directorate’s budget was R24m for 1999/2000, while he said it needed at least R40m. It had 65 investigative staff, while Mr Melville said its recommended staff allocation was 540.<sup>346</sup> [<sup>346</sup> Ibid 17 February 1999]

## TRADITIONAL LEADERS

The Commission on the Remuneration of Representatives under a former judge, Mr Jan Steyn (Steyn commission), recommended that traditional leaders be paid R72 000 a year and headmen R13 000. Traditional leaders would be paid uniform government salaries, including pension and medical aid benefits, no matter where they lived, the minister of provincial affairs and constitutional development, Mr Mohammed Valli Moosa, said in March 1999. In the past remuneration among traditional leaders varied. The salaries of about 2 000 headmen and members of the national and provincial houses of traditional leaders would be reviewed, he said.<sup>347</sup> [<sup>347</sup> Ibid 15 March 1999]

### National House of Traditional Leaders

The Council of Traditional Leaders Amendment Act of 1998 changed the name of the Council of Traditional Leaders of South Africa to the National House of Traditional Leaders. The function of the house is to promote the role of traditional leadership ‘within a democratic constitutional dispensation’. The National House of Traditional Leaders Act of 1997 (previously termed The Council of Traditional Leaders Act of 1997) prevented elected officials from serving in the National House of Traditional Leaders of South Africa (see 1997/98 Survey, p481; 1996/97 Survey pp547–548). This restriction was still in force at the time of writing, although it applied only to the national house and not to the various provincial houses.<sup>348</sup> [<sup>348</sup> The Council of Traditional Leaders Amendment Act 85 of 1998; information supplied by the National House of Traditional Leaders, 30 August 1999]

### Judicial Function of Traditional Leaders

In May 1999 the South African Law Commission published a discussion paper entitled *Traditional Courts and the Judicial Function of Traditional Leaders*. Among the recommendations were:<sup>349</sup> [<sup>349</sup> Discussion Paper 82, South African Law Commission, May 1999]

- traditional courts should be regarded as courts of law and given the status of such courts;
- traditional courts should continue to be recognised where they are already established in rural areas under chiefs;
- community courts should be established in urban areas where there are no chiefs, with appeals to the magistrate’s courts;

- matters relating to civil marriages should continue to be excluded from the jurisdiction of civil courts;
- traditional courts should have jurisdiction over minor criminal matters only; and
- a monetary ceiling on jurisdiction in civil matters should apply.

## Role in Local Government

In April 1999 the House of Traditional Leaders of KwaZulu-Natal said at a meeting of executive committees of the provincial and national houses of traditional leaders that it would challenge the Local Government: Municipal Structures Act of 1998 in the Constitutional Court. Chief Mpiyezintombi Mzimela, chairman of the National House of Traditional Leaders, said the act would erode the power of traditional leaders in its restructuring of municipal functions (see *Local and Metropolitan Government* below, and *Provincial Powers* above.)<sup>350</sup> [<sup>350</sup> *Business Day* 9 April 1999] Chief Mzimela also reiterated a demand for the immediate conferment of civil and criminal jurisdiction upon traditional leaders. The meeting rejected the implementation of the Communal Property Association Act of 1996 in rural areas (see 1996/97 Survey, pp770-771). The meeting said land should be registered under traditional authorities, rather than under communal property associations as provided for in the act.<sup>351</sup> [<sup>351</sup> *Ibid*]

## Congress of Traditional Leaders of South Africa (Contralesa)

The Congress of Traditional Leaders of South Africa (Contralesa), a non-statutory grouping, decided in March 1999 that it would allow its members to stand as election candidates for parties of their choice in the 1999 election. The president of Contralesa, Chief Patekile Holomisa, said it was important for traditional leaders to be part of structures that made policy decisions. Mr Holomisa said the position of traditional leaders and their role as defined by government was ambiguous.<sup>352</sup> [<sup>352</sup> *Ibid* 8 March 1999]

## DIFFICULTIES IN GOVERNANCE

### Corruption and Inefficiency

Transparency International in 1998 gave South Africa a score of 5.2 on its corruption perception index. The index rated countries on a scale of one to ten, with ten indicating no corruption. South Africa was placed 32nd out of 85 countries rated. In 1997 South Africa scored 4.9—indicating a slightly higher level of perception of corruption than in 1998.<sup>353</sup> [<sup>353</sup> *Business Day* 23 August 1998] The local branch of Transparency International subsequently accused certain South African newspapers, including *The Citizen* and *Volksblad*, of feeding public perceptions that corruption increased after the African National Congress (ANC) took power. The newspapers were influenced by their political agendas, the local branch said.<sup>354</sup> [<sup>354</sup> *Mail and Guardian* 4 September 1998]

In August 1998 the New National Party (NNP) calculated the accumulated amount involved in corruption since 1994 to be between R21bn and R37bn.<sup>355</sup> [<sup>355</sup> *The Citizen* 7 August 1998]

In March 1999 the minister for public service and administration, Dr Zola Skweyiya, said combating corruption in the public service remained a priority.<sup>356</sup> [<sup>356</sup> *Business Day* 17 March 1999] At a national anti-corruption summit meeting held in April 1999, twelve practical proposals were adopted by more than 250 delegates from the public and private sectors. These proposals included:<sup>357</sup> [<sup>357</sup> *Ibid* 16 April 1999]

- ‘blacklisting’ of businesses, organisations, and individuals involved in corruption;
- establishment of an anti-corruption ‘hotline’ for all sectors;
- establishment of safeguards against victimisation; and
- adoption of codes of good conduct.

In April 1999 the Institute for a Democratic South Africa (Idasa) said the ANC should re-examine its practice of informally marginalising corrupt officials, rather than dismissing them from public office.<sup>358</sup> [<sup>358</sup> *Ibid* 13 April 1999]

In June 1999 the premier of Mpumalanga, Mr Ndaweni Mahlangu, said it was ‘politically correct’ for politicians to lie. He said this in defence of his re-appointment of three Mpumalanga MECs who were being investigated by the Heath Special Investigating Unit. The leader of the Democratic Party (DP), Mr Tony Leon, called on the president, Mr Thabo Mbeki, to replace Mr Mahlangu. The ANC required Mr Mahlangu to apologise and then released a statement saying it was confident of Mr Mahlangu’s leadership.<sup>359</sup> [<sup>359</sup> *The Citizen* 24 June 1999]

## Nepotism

The NNP and the DP continued to accuse the ANC of nepotism in public service appointments. In April 1999 the DP cited the following links to cabinet members as examples:<sup>360</sup> [<sup>360</sup> Information provided by Ms Kathy Sturman, Democratic Party researcher, April 1999]

- Ms Makaziwe Mandela, a manager at the Development Bank of Southern Africa, eldest daughter of Mr Nelson Mandela, the president;
- Ms Zanele Dlamini-Mbeki, a director of the Women’s Development Bank, wife of the deputy president, Mr Thabo Mbeki;



- Mr Jabu Moleketi, MEC for finance in Gauteng, husband of Ms Geraldine Fraser-Moleketi, the minister for welfare and population development;
- Ms Patricia Elizabeth Murray, head of the department of agriculture in Gauteng, wife of the minister of land affairs and agriculture, Mr Derek Hanekom;
- Major General Jackie Sedibe, South Africa's first woman general, wife of Mr Joe Modise, the minister of defence;
- Mr Enver Daniels, state law adviser, a former partner in the law firm of Mr Dullah Omar, the minister of justice;
- Ms Bridgitte Motsepe, a managing director of Makau Mining, (which owned 20% of the Nabera consortium, and which was awarded the management for a state-owned diamond mine, Alexkor), wife of Mr Jeffrey Radebe, the minister of public works;
- Ms Thutukile Mazibuko-Skweyiya, ambassador to France, wife of Dr Zola Skweyiya, the minister of public service and administration;
- Mr Bulelani Ngcuka, national director of public prosecutions, husband of Ms Phumzile Mlambo-Ngcuka, the deputy minister of trade and industry;
- Mr Zwelakhe Sisulu, outgoing group chief executive of the South African Broadcasting Corporation, Mr Max Sisulu, deputy chief executive officer of Denel, and Ms Sheila Sisulu, the ambassador to the United States, brothers and sister-in-law respectively to Ms Lindiwe Sisulu, deputy minister of home affairs; and
- Dr K M Ginwala, ambassador to Italy, and Dr Zav Rustomjee, director general of trade and industry, family members of Ms Frene Ginwala, speaker of Parliament.

The NNP requested the public protector, Mr Selby Baqwa, to investigate nepotism in government in early 1999. Mr Baqwa found no evidence of nepotism (see also *Public protector* above).<sup>361</sup> [<sup>361</sup> *Business Day* 4 May 1999]

## **'rightsizing' The Public Service**

In May 1999 the director general of public service and administration, Mr Paseka Ncholo, said the size of the public service had been reduced by more than 10% since the new government took office in 1994. There were 1.3m public servants in 1994. In 1999 the figure stood at 1.1m, he said. Mr Ncholo said the government had estimated in 1995 there were 55 000 'supernumeraries' in the public service, but had

revised its estimate to about 35 000 (see also chapter on *Employment*).<sup>362</sup> [<sup>362</sup> Ibid 13 May 1999]

In September 1997 there were 1.2m public servants. The public service decreased by approximately 105 000 public servants between 1995 and 1997. However, the wage bill in 1997 was R50bn, compared to R39bn in 1995, an increase of 28%. Staff reductions were achieved by abolishing vacancies and issuing voluntary severance packages. About 50% of those who took packages between 1995 and 1997 were white. By September 1997, 48 000 applications (not including teachers) were approved, at a cost of R786m. Some skills were also lost. Consultancies were employed to do certain skilled work. The rightsizing project team of the Department of Public Service and Administration said in March 1998 that 55 000 public servants were still considered to be ‘supernumeraries’ and accounted for R2bn of the wage bill.<sup>363</sup> [<sup>363</sup> Portfolio Committee on Public Service and Administration: briefing by Connie Smith and Dick Vuma of the Rightsizing Project Team, 11 March 1998] During 1998 employment in the public service declined by some 3%, to 1.1m in December of that year (see also chapter on *Employment*.)

## PROVINCIAL GOVERNMENT

### Difficulties in Provincial Governance

See 1997/98 Survey, p484, for a report on governance in the nine provinces published in August 1997. No subsequent report had been published at the time of writing.

The auditor general, Mr Henri Kluever, said in his report on the government accounts for 1997/98 that the management of public funds by the provinces was ‘a source of grave concern’. The problems in the provinces included:<sup>364</sup> [<sup>364</sup> General Report of the Auditor General on the Accounts of the National Government for 1997/98]

- late rendition of appropriation accounts;
- weaknesses in internal control systems;
- shortages of skilled financial staff;
- slow pace and level of co-operation with audit staff; and
- insufficient control over accounts and bank reconciliations.

### Provincial Expenditure and Revenue

During the period under review, the provinces brought expenditure into line with revenue. The combined budgets of the nine provinces were expected to be in surplus by the end of 1998/99, according to the 1999 *Budget Review*.<sup>365</sup> [<sup>365</sup> Department of Finance, *Budget Review 1999*, p91] This was after the national

government introduced a financial management improvement programme, which included the following measures:<sup>366</sup> [<sup>366</sup> Ibid, p92]

- monitoring expenditure on a monthly basis;
- appointing qualified personnel;
- training financial managers; and
- improving financial reporting and oversight procedures.

Most provincial expenditure was financed by transfers from national government. Revenue raised by provinces was expected to comprise 3.8% of total provincial revenue in 1999/2000. This has declined from 5.6% in 1995/96. The decline was mainly attributable to lower collection of user fees in hospitals.<sup>367</sup> [<sup>367</sup> Ibid, p93] The table below shows consolidated provincial revenue and expenditure for the period 1995/96 to 2001/02 (brackets denote a decrease).<sup>368</sup> [<sup>368</sup> Ibid]

***Consolidated provincial revenue and expenditure: 1995/96 –2001/02***

1995/96 Rbn<sup>a</sup>

1996/97 Rbn<sup>a</sup>

1997/98 Rbn<sup>a</sup>

1998/99 Rbn<sup>b</sup>

1999/2000 Rbn<sup>c</sup>

2000/01 Rbn<sup>c</sup>

2001/02 Rbn<sup>c</sup>

**Revenue**

National revenue transfers

72.9

84.7

86

91.7

94.3

94.3

104

Own revenue

4.3

4.2

3.5

3.3

3.7

4.0

4.2

**Total revenue<sup>d</sup>**

77.2

88.9

89.4

95.0

98.1

103.5

108.2

Increase

N/A

15.1%

0.6%

6.2%

3.3%

5.5%

4.6%

**Expenditure**

Education

29.4

36.6

38.7

38.8

40.3

42.6

44.7

Health

15.8

20.4

22.4

22.7

23.7

25.3

26.3

Welfare

14.4

15.9

17.7

18.4

18.7

19.5

20.3

Other

16.2

18.5

16.6

14.5

13.5

13.9

14.6

Finance reserve

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—

—

1.9

2.1

2.3

**Total expenditure**

75.9

91.4

95.3

94.4

98.1

103.4

108.2

Increase

N/A

20.4%

4.3%

(1.0%)

3.9%

5.5%

4.6%

Personnel expenditure

40.3

49.2

54.5

55.9

58.3

61.2

63.9

**Surplus/(deficit)**

1.3

(2.5)

(5.9)

0.6

N/A

N/A



N/A

As a proportion of GDP

0.3%

(0.5%)

(1.0%)

0.1%

N/A

N/A

N/A

*Source:* Department of Finance

a

Actual.

b

Preliminary estimate.

c

Medium-term estimate.

d

Figures should add up but may not, owing to rounding.

## **Provincial Shares and Budgets**

The provincial equitable share (the portion of revenue allocated to the provincial government sphere as

required by the constitution) for 1999/2000 for each province was calculated using a formula based on a province's demographic and economic profiles. The formula was based on recommendations of the Financial and Fiscal Commission and the 1996 census results. The factors in the formula include:<sup>369</sup> [369 Ibid]

- an education share based on the size of the school-age population in the province;
- a health share based on the use of the public health system;
- a social security component, based on the size of the population to whom social security grants are made, including the elderly, the disabled, and children;
- a basic share determined according to a province's total population;
- a 'backlog' component, based on capital needs;
- an economic output share, based on employee remuneration; and
- an institutional component, an equal amount to each province.

However, the elements of this formula were not prescriptive. The provincial executive in each province proposed the amount budgeted for each function. The provincial legislatures ultimately determined the provincial budgets in each province.

The table below shows provincial equitable shares for the period 1998/99–1999/2000.<sup>370</sup> [370 Ibid]

***Provincial equitable shares: 1998/99–1999/2000***

*Province*

1998/99<sup>a</sup> Rbn

1998/99<sup>b</sup> Rbn

1999/2000 Rbn

1999/2000<sup>a</sup> Rbn

Eastern Cape

14.4

14.4

15.2

15.2

Free State

5.6

5.6

5.9

6.0

Gauteng

12.1

12.0

13.2

12.9

KwaZulu-Natal

15.9

15.9

17.2

17.1

Mpumulanga

5.4

5.3

5.9

5.8

North West

7.0

7.0

7.4

7.4

Northern Cape

2.0

2.0

2.1

2.1

Northern Province

10.7

10.7

11.3

11.4

Western Cape

8.2

8.1

8.7

8.5

**Total<sup>c</sup>**

81.4

80.9

87.0

86.3

*Source: 1999 Budget Review*

a

Budgeted figures.

b

Adjusted figures.

c

Figures should add up to the totals shown but may not, owing

## **LOCAL AND METROPOLITAN GOVERNMENT**

### **Legislation**

#### **Local Government: Municipal Demarcation Act of 1998**

In terms of the Local Government: Municipal Demarcation Act of 1998, provision was made for the establishment of a Municipal Demarcation Board. The board would undertake the determination of municipal boundaries in South Africa. The act required the board to be independent, and to perform its functions impartially. When determining municipal boundaries, the board was enjoined by the act to consider certain criteria, such as the effect that the demarcation would have on a municipality's ability to

facilitate integrated development and to provide services efficiently.<sup>371</sup> [<sup>371</sup> Local Government: Municipal Demarcation Act, no 27 of 1998, *Government Gazette* no 19020, 3 July 1998] In January 1999 Dr Michael Sutcliffe, a former academic and an African National Congress (ANC) member of the KwaZulu-Natal provincial legislature, was appointed chairman of the Municipal Demarcation Board. In terms of the legislation he would have to resign his positions in the ANC.<sup>372</sup> [<sup>372</sup> *Business Day* 21 January 1999] The MEC for local government, housing, and finance in KwaZulu-Natal, Mr Peter Miller (Inkatha Freedom Party), criticised the appointment of Dr Sutcliffe, contending that even if he resigned from the ANC, Dr Sutcliffe would be regarded as an 'ANC ideologue', and would therefore not be viewed as politically neutral.<sup>373</sup> [<sup>373</sup> *Ibid* 3 February 1999]

## **Local Government: Municipal Structures Act of 1998**

The Local Government: Municipal Structures Act of 1998 sought to effect extensive reforms to the system of local government. It provided for the establishment of different types and categories of municipalities in different areas: in metropolitan areas, single-tier municipalities would be established, while in other areas authority would be shared between local and district councils. Metropolitan municipalities could establish 'metropolitan subcouncils' (to which certain functions could be delegated from the metropolitan council), and 'ward committees' to facilitate participation in local government. The act also introduced the option of 'executive mayors'. The minister for provincial affairs and constitutional development, Mr Mohammed Valli Moosa, said that this would allow 'for the emergence of strong, visionary local leadership'.<sup>374</sup> [<sup>374</sup> *Business Day* 6 November 1998; Local Government: Municipal Structures Act, no 117 of 1998, *Government Gazette* no 19614, 18 December 1998] The Democratic Party, Freedom Front, Inkatha Freedom Party, and National Party opposed the legislation, arguing that it gave central government 'intrusive' powers over local government, that the single-tier metropolitan councils would be inefficient, and that it did not give adequate recognition to the role of traditional leaders in local government.<sup>375</sup> [<sup>375</sup> *Business Day* 4 November 1998, *The Citizen* 25 May 1998, 24 October 1998, *The Star* 4 November 1998]

## **Finance**

### **Intergovernmental Grants**

According to the 1999 *Budget Review*, the share of nationally raised revenue which would be transferred to local government in the financial year 1999/2000 would total some R1.7bn. Some R1.2bn would be distributed to local governments according to the 'local government equitable share formula', while some R447m would be transferred to the former R293 towns (these are towns, named after proclamation R293 of 1962, which were previously run by homeland administrations, and subsequently by provinces). This R447m would be used by R293 towns to pay for functions that were previously financed by the provinces.

In addition to the equitable share, local governments were allocated various amounts to finance specific

functions. The table below shows the amounts budgeted by the central government for conditional grants and agency payments for the 1998/99 and 1999/2000 financial years.<sup>376</sup> [<sup>376</sup> Department of Finance, *Budget Review 1999*, pp113–115]

***Conditional grants and agency payments to local government: 1998/99—1999/2000***

1998/99 Rm

1999/2000 Rm

Constitutional development

Consolidated municipal infrastructure programme

703<sup>a</sup>

696

R293 staff

951

463

Assistance in transferring staff

0

40

Local government support grant<sup>b</sup>

181

140

*Land affairs*

Land development objectives

26

38

*Housing*

Housing support

50

0

Special urban renewal projects

569<sup>a</sup>

136

*Water affairs*

Government water supply schemes

25

0

Department of Water Affairs operating subsidies

494

429

Other conditional grants

0

23

**Total**

2 729



1 965

*Source: 1999 Budget Review*

a

These amounts included an additional R120m for the Consolidated Municipal Infrastructure Programme and R150m for special presidential projects.

b

This grant was called the local government transition grant in 1998/99.

In February 1999 the chairman of the Financial and Fiscal Commission, Mr Murphy Morobe, said that the 1999/2000 budget allocation was inadequate, given the scale of developmental needs that local governments would be expected

## **Boycotts and Non-Payment**

Project Viability was an initiative launched in 1995 to monitor the liquidity of South Africa's municipalities. Statistical information is collated from questionnaires sent quarterly to municipalities requesting information about their financial status (see also 1997/98 Survey, p495). At the time of writing the latest report concerned financial data as at the end of September 1998. Of the 833 municipalities to which questionnaires were sent, some 84% responded, while the rest were predominantly rural councils without the necessary capacity to respond. However, in order to track municipal finances over time, comparative statistics were compiled from a 'core group' of some 283 urban municipalities (those which have responded continually to the questionnaires). This 'core group' can be used, with confidence, to determine a trend in respect of all municipalities, according to the Department of Constitutional Development.<sup>378</sup> [<sup>378</sup> Department of Constitutional Development *Project Viability—June 1998, September 1998*, January 1999, p4]

The following table provides certain key indicators of the financial position of the 'core group' of South Africa's municipalities:<sup>379</sup> [<sup>379</sup> Department of Constitutional Development *Project Viability—September 1998*, January 1999, pp5, 7, 13]

### ***Economic indicators of the 'core group' of South Africa's municipalities***

*Month and year*

## Outstanding amounts (Rbn)<sup>a</sup>

Debt as a proportion of rates and service charges

Regular payers as a proportion of total

December 1996

6.5

21%

68%

March 1997

7.1

23%

67%

June 1997

7.5

24%

71%

September 1997

9.1

30%

71%

December 1997

9.3

30%

69%

March 1998

9.6

31%

71%

June 1998

10.1

33%

73%

September 1998

11.3

37%

71%

*Source:* Department of Constitutional Development

a

Includes all amounts owed to local governments by consumers of services. These amounts include both debt which has been outstanding for long periods of time, and debt which has been incurred recently. Debts incurred by both businesses and households are included.

Although the number of regular payers as a proportion of the total has shown a small increase since late 1996, the amounts outstanding to municipalities and debt as a proportion of rates and service charges

have increased significantly. As at September 1998 the level of outstanding debts (37% of rates and services income) was equivalent to some 19 weeks of rates and service income. Between 11% and 15% (or six to eight weeks) is generally regarded as acceptable.<sup>380</sup> [<sup>380</sup> Ibid, pp8–9] The discrepancy—11 to 13 weeks—reflects, in part, old debt that would probably never be collected (see *Boycotts and non-payment* below).

During the period under review the amount owed to municipalities in unpaid rates and services charges continued to escalate. In September 1998 the ‘core group’ of municipalities surveyed by Project Viability were owed some R11.3bn. The total amount owed to all the municipalities which responded to the Project Viability questionnaire was as follows

*Nationwide debt to municipalities: September 1998*

*Province*

Rm

Eastern Cape

1 005

Free State

810

Gauteng

6 301

KwaZulu-Natal

1 130

Mpumalanga

414

North West

514

Northern Cape

290

Northern Province

109

Western Cape

1 955

**Total<sup>a</sup>**

12 527<sup>b</sup>

*Source:* Department of Constitutional Development

a

Figures should add up but may not, owing to rounding.

b

Note that this figure differs from that of the ‘core group’, since it relates to all municipalities responding to the September 1998 survey — a larger number than those that have responded continually.

Project Viability’s September 1998 report noted that the steady increase in the amount owed to municipalities reflected their inability to deal with the problem of non-payment, the ineffectiveness of measures to collect outstanding debts, and the fact that municipalities were too lenient on defaulters.<sup>382</sup> [382 Ibid, pp7–8]

Project Viability also investigated the ability of municipalities to implement credit control, to deliver accounts to consumers, and to apply sanctions against defaulters. In September 1998 some 96% of municipalities were able to render accounts to all areas under their respective jurisdictions, while 60% of municipalities could apply full credit control procedures, 38% restricted credit control procedures, and 1% no credit control procedures at all. Project Viability’s report also revealed that disconnections of electricity (a chief sanction against defaulters) continually exceeded official reconnections—this could be attributed either to illegal reconnections, or to consumers’ adopting prepaid meterin

## Public-private Partnerships

During the period under review various initiatives were undertaken to involve the private sector in the provision of services. This had been recommended in *The White Paper on Local Government* in 1998. (See 1997/98 Survey, pp491–493.)<sup>384</sup> [<sup>384</sup> Ministry of Provincial Affairs and Constitutional Development, *White Paper on Local Government*, March 1998, p97]

However, the Congress of South African Trade Unions (Cosatu) and the South African Municipal Workers' Union (Samwu) rejected the involvement of the private sector in service provision. They argued that this would lead to a rise in the price of services, to a loss of jobs, and to continuing disparities between areas which had previously had adequate access to services, and those areas—particularly townships—where service provision had been poor.<sup>385</sup> [<sup>385</sup> *Business Day* 6 April 1998, *The Citizen* 2 October 1998] The minister for provincial affairs and constitutional development, Mr Mohammed Valli Moosa, argued that the resources of the private sector were necessary to overcome South Africa's severe socio-economic backlogs.<sup>386</sup> [<sup>386</sup> *Business Day* 3, 11 September 1998]

In December 1998 an agreement was concluded between Cosatu, Samwu and the South African Local Government Association, in terms of which municipalities were recognised as the preferred providers of services, while the private sector could become involved if a municipality lacked the capacity to provide a service itself.<sup>387</sup> [<sup>387</sup> *Die Burger* 12 December 1999, *The Star* 14 December 1998] This would be determined by consensus after feasibility studies on the capacity of particular municipalities, and consultation between parties whose interests would be affected had been conducted.<sup>388</sup> [<sup>388</sup> Telephonic interview with Mr Zama Nofemela, deputy director: municipal infrastructure, Department of Constitutional Development, 2 March 1998]

During the period under review, two prominent public-private partnerships were initiated. In terms of these, two municipalities—Dolphin Coast (a council covering an area around Ballito, north of Durban) in KwaZulu-Natal, and Nelspruit in Mpumalanga—would grant long-term concessions to foreign companies (Dolphin Coast to Saur International, and Nelspruit to Biwater) for the provision of water and waste management services.<sup>389</sup> [<sup>389</sup> *Financial Mail* 4 December 1999, 19 February 1999, *Sake-Beeld* 9 February 1999, *Business Report* 7 May 1999, *Finance Week* 28 May 1999]

## THE ECONOMY

### BIRD'S EYE VIEW

One of the major structural problems of the South African economy continued to be its inability to create sufficient jobs to reduce the unemployment rate significantly.<sup>1</sup> [<sup>1</sup> South African Reserve Bank (SARB), *Quarterly Bulletin*, March 1999, p9] The non-agricultural formal sector of the economy shed a net 187 000 jobs between the last quarter of 1997 and the last quarter of 1998. During 1998 the economy grew by only 0.5% and

experienced one quarter of negative growth, while real personal disposable income per head declined to R9 041 from R9 138 in 1997. In the final half of 1998 the economy hardly grew at all.

Domestic saving remained low in relation to the country's domestic financing requirements. The country therefore would have to attract 'a considerable amount of foreign savings if capital formation is to be sufficient to sustain a higher growth rate'.<sup>2</sup> [<sup>2</sup> Nedcor, *A Guide to the Economy*, July 1999]

The South African Reserve Bank said that the recovery of the economy would be determined by, among other things:<sup>3</sup> [<sup>3</sup> SARB, *Quarterly Bulletin*, March 1999, p3]

- the speed at which international private capital flows returned to the country, and the extent to which these flows would meet the country's external financing needs;
- recovery in Asia and Japan, and the extent to which it was likely to generate additional demand for exports from South Africa; and
- the United States's response to its growing current account deficit and fears of overheating.

In the short term the 'fate of the South African economy is now determined outside of the country', according to the governor of the reserve bank at the time, Dr Chris Stals.

Although domestic spending was expected to receive a boost from the demutualisation of Old Mutual and declining interest rates, the loss of jobs in the gold mining sector (following a drop in the gold price to below \$260/oz in mid-1999) was expected to act as a brake on the economy because of its strong linkages with other sectors.<sup>4</sup> [<sup>4</sup> Nedcor, *A Guide to the Economy*, July 1999]

The new president, Mr Thabo Mbeki, remained committed to *Growth, Employment, and Redistribution* strategy (*Gear*) (see 1996/97 Survey, pp710–715). In July 1999 the Congress of South African Trade Unions called for a rethink of the fundamentals of *Gear*. It said that 'interventions through *Gear* have woefully failed to address the structural crisis of the economy'.<sup>5</sup> [<sup>5</sup> *Business Day* 19 July 1999] However, Mr Mbeki intimated that one of his government's aims would be to create a more investor friendly environment by addressing labour market rigidities, reducing corporate tax rates, and setting up an investment council, which would include international business people.<sup>6</sup> [<sup>6</sup> *Ibid* 30 June 1999]

Government dissaving declined in line with the government's *Gear* policy. The South African Revenue Service made great strides in improving tax collection, thus assisting the government to reduce its budget deficit for the 1998/99 financial year to 2.9% from the 3.7% initially projected. In August 1999 the country experienced a short strike in the public sector, as the government was not willing to agree on wage increases that were higher than those provided for in the 1999/2000 budget. The line adopted by the government was regarded as indicative of its commitment to fiscal discipline.

During the period under review there were sharp changes in interest rates, with the prime overdraft rate reaching 25.5% in October 1998. Since then it dropped to 16.5% in September 1999 (predominant). In March 1999 the parliamentary portfolio committee on finance attacked the banks because of their high interest rates.<sup>7</sup> [<sup>7</sup> Ibid 2 March 1999]

Mr Tito Mboweni, a former minister of labour, took over from Dr Stals in August 1999 as governor of the reserve bank. There were concerns that his appointment would undermine the independence of the central bank, as he had been a member of the African National Congress government. At his inauguration in the same month, Mr Mboweni said, 'Some people think that, as a former cabinet minister, my appointment heralds the start of a cheap money era in the bank. I must say it here, loud and clear, they are wrong.' He added that the role of the reserve bank was not to provide an artificial stimulus for the economy. 'The role of the bank is to create a climate of financial stability in which sustainable economic growth and wealth creation can be achieved; an environment in which an economic boom will not be followed by an inevitable bust.'<sup>8</sup> [<sup>8</sup> Statement by Mr Tito Mboweni on the occasion of the retirement of Governor Chris Stals as Governor of the South African Reserve Bank and the inauguration of the new Governor, Johannesburg, 7 August 1999]

Inflation dropped to 6.9% in 1998 (the lowest since 1972), from 8.6% in 1997. Inflation targeting would be introduced in 2000, according to the minister of finance, Mr Trevor Manuel. The government was expected to set the target while the reserve bank would then implement measures to achieve it. At the reserve bank's annual general meeting in August 1999, Mr Mboweni said that the bank's view was that an agreement on targets should be signed by the minister of finance and the governor to define precisely the co-ordinated effort needed to contain inflation in pursuit of high growth and job creation.<sup>9</sup> [<sup>9</sup> *Business Day* 25 August 1999]

In his medium term budget policy statement on 29th October, Mr Manuel said that the budget deficit for the 1999/2000 financial year would come in at only 2.8% of GDP (instead of the 3.5% estimated in his budget speech in February). This was partly because of the South African Revenue Service's success in bringing additional taxpayers into the net. Mr Manuel said that although taxes as a proportion of GDP had risen from 24.4% in 1994 to 26% in 1998, the government hoped to reduce this proportion to 25% by 2002.

He predicted that the rate of economic growth would increase from 0.9% during the current year to 3.5% next year, 3.4% the year after that, and 3.2% in the year after that. Mr Manuel said the budget deficit would decline to 2.4% over the next three years. He announced an additional R22bn in expenditure, the largest single proportion of which will go on defence and intelligence, though there would also be more money for social services. However, Mr Manuel said, job growth remained elusive.

## KEY POINTS

- In 1998 real gross domestic product (GDP) grew by 0.5%, compared with 2.5% in 1997, and the



lowest rate in five years. Real GDP per head dropped by 1.6% in 1998, the first year of decline since 1993.

- At the end of October 1999, the finance minister said growth for the year would be 0.9% , but would exceed 3% a year over the next few years.
- Since 1993 personal saving has been declining in relation to personal disposable income, reaching 1.4% in 1998. Household debt rose from 52% of personal disposable income in 1993 to 60.7% in 1998.
- Government dissaving declined to 3.9% in 1998, from 4.9% in 1997.
- Total formal, non-agricultural employment declined by an average annual rate of 1.3% between 1989 and 1993, and by 1.6% a year from 1994 to 1998.
- The average London gold price in American dollars dropped by 11% between 1997 and 1998 to \$294.14, although it appreciated in rand terms because of the weaker rand. In mid-1999 the gold price reached a 20-year low when it dipped below \$260 an ounce. Thereafter it rose again, to over \$300 on 28 September.
- Between 31st December 1997 and 31st December 1998 the rand depreciated by some 17% against the dollar. In the first ten months of 1999, the rand depreciated by another 4.28% against the dollar.
- Average consumer price inflation was 6.9% in 1998, the lowest since 1972, when it was 6.5%. In 1997 it was 8.6%. The inflation rate for the year to July 1999 was 4.9% compared to 6.6% in the preceding twelve months. In September 1999 headline inflation reached its lowest level in 30 years, 3.2%.
- The producer price index rose by 3.5% in 1998, the lowest it had been since 1970, when it was 3.1%.
- Between 1991 and 1997, foreign direct investment in South Africa grew by 195% in nominal terms, while South African direct investment in other countries grew by 203%.
- Year-on-year growth in real gross domestic fixed investment (GDFI) rose from 4.8% in 1997, up to 5.1% in 1998. The ratio of GDFI to GDP also improved, from 16.4% in 1997 to 16.5% in 1998.
- Average real prime overdraft rate was 11.31% in 1996, 10.51% in 1997 and 13.96% in 1998. The real prime overdraft rate in September 1999 was 14.33%.
- During the period under review the South African Reserve Bank revised its method of calculating South Africa's effective change rate. The reserve bank based the revised calculation on a weighted average exchange rate of 14 of South Africa's trading partners, compared with four previously.

# MACRO-ECONOMIC PICTURE

## 1998 at a Glance

The table below provides key economic indicators for 1998.<sup>10</sup> [<sup>10</sup> Statistics South Africa (Stats SA), *Gross Domestic Product Revised Estimates 1993–98*, Statistical Release P0441, 21 June 1999; SARB, *Quarterly Bulletin*, June 1999; Stats SA, *Consumer Price Index*, Statistical Release P0141.1, 19 January 1999; Stats SA, *Production Price Index*, Statistical Release P0142.1, 27 January 1999]

### *1998 at a glance (at market prices revised)*

GDP (current prices)

R737.81bn

–

Real GDP growth

0.5%

1997: 2.5%

Agriculture etc (4% of GDP)<sup>a</sup>

-1.2%

1997: 2.7%

Mining etc (6.6% of GDP)<sup>b</sup>

-0.4%

1997: 1.4%

Secondary sector (25.2% of GDP)

-1.0%

1997: 2.6%

## Manufacturing [75.3% of secondary sector]

-1.8%

1997: 2.4%

## Tertiary sector (64.3% of GDP)

1.5%

1997: 2.4%

## GDP per head

R17 512

down 1.6% on 1997

## Gross domestic savings as a proportion of GDP

14.1%

1997: 14.6%

## GDFI

R122.06bn

—

## GDFI as proportion of GDP

16.5%

1997: 16.3%

## GDFI by public authorities (constant prices)

up 2.5%

1998 vs 1997

by public corporations

up 51.4%

1998 vs 1997

by private business

down 2.9%

1998 vs 1997

Net capital inflow not related to reserves

R9.08bn

1997: R19.68bn (revised)

Current account deficit

R11.63bn

up 11.5% (1997: R10.43bn)

Current account deficit as proportion of GDP

1.6%

1997: 1.5%

Inflation rate

6.9%

1997: 8.6%

Core inflation rate

7.5%

1997: 6.2%

Food inflation rate

6.2%

1997: 7.3%

Producer price rise

3.5%

1997: 7.1%

Imported producer inflation

3.1%

1997: 5.0%

Value of merchandise exports (including gold)

R145.5bn

up 1.8% on 1997

Value of merchandise imports (including oil and arms)

R143.3bn

up 10.5% on 1997

Average gold price

\$294.14

1997: \$331.11

Prime overdraft rate (average)

21.55%

1997: 19.25%

Real prime overdraft rate

13.96%

1997: 10.51%

Average exchange rate

R1 = \$0.18

1997: R1 = \$0.22

a

Agriculture, including forestry and fishing.

b

M

## Selected Key Economic Indicators Over 10 Years

The table below provides an overview of economic indicators in the last ten years (1989 to 1998). (Figures were published in April 1999, before the revision of South Africa's national accounts.)<sup>11</sup> [<sup>11</sup> Fast Facts No 5 1999]

### *Selected key economic indicators: 1989–93 and 1994–98<sup>a</sup>*

1989–93

1994–98

Real gross domestic product

0%

+2%

Real gross domestic expenditure

-0.5%

+3.5%

Real gross domestic investment

-2.5%

+7.5%

Ratio of gross domestic saving to GDP

19%

16%

Employment<sup>b</sup>

-1.3%

-1.6%

Real salaries and wages per worker

+1.8%

+3.9%

Balance of payments

Current account (average)

+R5.2bn

-R8.1bn

Capital account (cumulative total)

-R26.6bn

+R53.5bn

Merchandise

Imports

+2.2%

+9.4%

Exports (including gold)

+2.9%

+6.3%

Consumer prices

+13.6%

+8.1%

Prime overdraft rate of banks (level)

19.2%

19.0%

Central government

Budget deficit as a proportion of GDP

4.3%

5.7%

Government revenue as proportion of GDP



24.9%

25.6%

### Government expenditure as proportion of GDP

29.2%

31.3%

*Source:* Dr Chris Stals, governor of the South African Reserve Bank

a

Average annual percentage changes, unless otherwise stated.

b

Non-agricultural formal workers.

The table illustrates some of the weaknesses in the South Africa economy. Although the economy grew by some 2% a year between 1994 and 1998 (following zero growth in the preceding five years), gross domestic spending grew by 3.5% a year. The result was a significant growth in merchandise imports. Mr John Kane-Berman, chief executive of the South African Institute of Race Relations, commented that if this domestic spending had gone on goods produced in South Africa, it might have stimulated domestic industries, thereby creating jobs.<sup>12</sup> [<sup>12</sup> Ibid]

Saving in South Africa was insufficient to finance the necessary investment to keep economic growth and job creation consonant with population growth (investment of some 25% of gross domestic product would be necessary for this). According to Dr Chris Stals, governor of the South African Reserve Bank, 'South Africa is becoming more and more a nation of consumers that do not save enough to finance economic developmen

## Revised National Accounts

During the period under review, South Africa's national accounts were revised by Statistics South Africa (Stats SA) and the South African Reserve Bank. This entailed:

- implementing a new accounting system;

- adopting a new base year (1995) from which calculations of the national accounts at constant prices are made;
- uncovering new areas of economic activity, and accounting for new sources of information about economic activity; and
- adopting a new methodology for calculating annual gross domestic product (GDP).

As a consequence of this revision, South Africa's GDP for 1995, which had previously been estimated at R485bn, was put at R548bn, an increase of 13.1%.<sup>14</sup> [<sup>14</sup> Stats SA, *Gross Domestic Product Revised Estimates 1993–98 First Quarter 1999*, Statistical Release P0441, 21 June 1999] The growth rate in GDP from 1993 to 1998 was adjusted upwards from an average of 2.2% a year to 2.7%.

The relative contributions of various industries to GDP were also adjusted from the 1990 base year for the 1995 base year, as follows (brackets denote a decrease):<sup>15</sup> [<sup>15</sup> Ibid, p8]

***Proportional contribution of economic sectors to GDP in the base year: 1990 and 1995***

*Sector*

1990

1995

**Agriculture, forestry, and fishing**

5.3%

3.9%

**Mining and quarrying**

9.7%

7.0%

**Manufacturing**

25.5%

21.2%

Electricity and water

4.4%

3.5%

**Construction**

3.5%

3.2%

Wholesale, retail and motor trade, catering, and accommodation

15.0%

14.3%

**Transport and communication**

7.4%

8.9%

Finance, real estate, and business services

14.5%

16.4%

**Other private services<sup>a</sup>**

1.8%

2.7%

General government services<sup>b</sup>

13.8%

16.2%

**Other producers<sup>c</sup>**

2.2%

2.8%

Financial services indirectly measured<sup>d</sup>

(3.1%)

—

**Total**

100.0%

100.0%

*Source:* Statistics South Africa

a

Mainly consumer services; the revised estimate for this industry, as well as its higher average annual growth rate, reflects in particular the expansion of private health services.

b

All government services, including public administration, defence, and medical services.

c

Non-profit institutions serving households, as well as domestic workers.

d

Refers to services provided by banks and other financial intermediaries for which they do not charge explicitly. This item was listed as a separate, negative item under the previous system of accounting. The new system

recommended that these services be all

The first major change made was to implement the System of National Accounts 1993 (1993 SNA). According to Dr Mark Orkin, head of Stats SA, South Africa would for the first time follow the system of national accounts prescribed by the United Nations.<sup>16</sup> [<sup>16</sup> *Business Day* 15 June 1999]

The second major change was the adoption of a new base year. In order to analyse the production of goods and services independently of price changes, GDP is calculated in terms of a reference period whose prices are used to value goods and services of other years. Inaccuracies in estimates will tend to increase with greater distances from the base year. South Africa's national accounts are therefore 'rebased' every five years. In the revision in question, the base year was changed from 1990 to 1995.<sup>17</sup> [<sup>17</sup> *Ibid* 22 June 1999]

The third change concerned new areas of economic activity. The new national accounts were calculated including data from sources not available in previous estimates. This data included such things as periodic sectoral economic censuses and surveys, and information about housing from the 1996 census. Also included is 'enhanced and improved' information for a number of industries, such as the taxi industry. Another significant addition was information on the informal sector. Previously, only parts of the informal sector (such as domestic servants) had been included in GDP. The 'presumed growth' of the informal sector since the 1980s (arising, in part, from political developments, such as the abolition of influx control), necessitated the inclusion of information on this part of the economy into official figures. The primary source of this data was the 1993 October Household Survey. The informal sector was estimated to constitute some 7% of South Africa's GDP at market prices.<sup>18</sup> [<sup>18</sup> SARB, *South Africa's National Accounts 1946-1996: an overview of sources and methods*, June 1999; Stats SA, *Gross Domestic Product Revised Estimates 1993-98 First Quarter 1999*, Statistical Release P0441, 21 June 1999] The first official comprehensive survey of the informal sector, published in March 1990, had also found that some 7% of South Africa's GDP was produced by the informal sector (see 1989/90 *Survey*, p269).

Certain activities which have expanded rapidly in recent years (such as cellular telephone networks, and Internet service providers) were more accurately assessed, for example, by means of financial data from relevant companies, and special research reports.<sup>19</sup> [<sup>19</sup> *Ibid*]

The final major change was the use of a new methodology to calculate annual GDP. Previously, annual GDP estimates were calculated as the sum of quarterly GDP estimates. In terms of the new methodology, annual GDP is calculated independently of the quarterly estimates. Annual GDP estimates are regarded as more reliable than quarterly ones, as the former use the results of annual surveys rather than short-term indicators.<sup>20</sup> [<sup>20</sup> *Ibid*]

*Wherever possible figures in this chapter reflect the changes in GDP calculations. Where new figures have not been published, as in the case of the national budget broken down by function as a proportion of GDP, this is indicated clearly.*

## Growth Rate

Economic forecasts in this chapter have been taken from a variety of sources, notably from financial institutions.

*Economic growth rate 1998: 0.5%*

*Gear target 1998: 3.8%*

*Forecast growth range 1999: 0.8%–1.1%*

*Gear target 1999: 4.9%*

*Average annual growth 1993–98: 2.7%*

The South African economy grew by 0.5% in 1998, a much slower rate of growth than in the preceding five years. Real growth in gross domestic product (GDP) at market prices was 3.2% in 1994, 3.1% in 1995, 4.2% in 1996, and 2.5% in 1997. In the third quarter of 1998 the economy contracted for the first time since May 1993, when the previous downward phase, which had lasted 51 months, ended.<sup>21</sup> [<sup>21</sup> SARB, *Quarterly Bulletin*, June 1999, pS-146]

The main contributors to the slowdown in 1998 were agriculture, which declined by 1.2%, and manufacturing, which dropped by 1.8%. In 1997 agriculture had grown by 2.7% and manufacturing by 2.4%.<sup>22</sup> [<sup>22</sup> Ibid, p4] The slowdown in manufacturing output in 1998 was attributed largely to a sharp rise in the number of workdays lost to strikes and a slowdown in domestic and external demand for South African manufactured goods, according to the South African Reserve Bank.<sup>23</sup> [<sup>23</sup> Ibid, March 1999, p5] The secondary sector as a whole declined by 1% in 1998—it had grown by 2.6% in 1997.

The mining sector shrunk by 0.4% in 1998, compared with growth of 1.4% in 1997. Mining production was affected by weak global demand for commodities following the outflow of capital from many southeast Asian economies in 1997, and the consequent decline in international commodity prices.<sup>24</sup> [<sup>24</sup> Ibid, p4; Fast Facts No 3 March 1999]

The tertiary sector was the only one to experience growth in 1998, increasing by 1.5%, compared with 2.4% in 1997.<sup>25</sup> [<sup>25</sup> SARB, *Quarterly Bulletin*, June 1999, p4]

The five-yearly review of GDP by Statistics South Africa (Stats SA) in June 1999 showed a higher level of economic activity overall than was previously discerned, according to the head of Stats SA, Dr Mark Orkin. Average annual growth in real GDP was accordingly adjusted from 2.2% to 2.7% a year for the period 1993–98.

The vulnerability of emerging markets to ‘financial contagion’ and ‘highly brittle’ foreign investor confidence was the primary cause of low levels of economic growth, according to the Bureau for Economic Research at the University of Stellenbosch.<sup>26</sup> [26 *Business Day* 2 March 1999] The generally slower growth in the world economy would have a negative effect on the South African economy because it was still crucially dependent on commodities and commodity-based goods.<sup>27</sup> [27 *Finance Week* 8 January 1999]

The governor of the reserve bank, Dr Chris Stals, said in January 1999 that in the short term the ‘fate of the South African economy is now to an important extent determined outside of the country. Should the international situation stabilise and improve during the course of 1999, the South African economy will be sure to follow.’ South Africa could reach at least 5% growth per year over the period 1999–2003, and create more jobs, if it was ‘well-managed’, Dr Stals said.<sup>28</sup> [28 Dr Chris Stals, governor of the SARB, address at a conference organised by Omega Investment Research, Frankfurt, 25 January 1999]

## Growth and Income Levels and Trends

The following graph shows real GDP from 1961 to 1998:

The graph below plots annual economic growth from 1961 to 1998.

The table below shows total GDP at factor incomes, GDP per head, and personal disposable income per head in the period 1961 to 1998 in real terms as well as the annual changes.<sup>29</sup> [29 SARB, *South Africa’s National Accounts 1946–98*, June 1999, pB-28; SARB, *Quarterly Bulletin*, June 1999, pS-147]

### *Real growth and income levels and trends: 1961–98<sup>a</sup>*

Year

Real GDP Rbn

Increase (decrease)

Real GDP per head<sup>b</sup> R

Increase (decrease)

Real personal disposable income per head<sup>c</sup> R

Increase (decrease)

1961  
193.33  
3.8%  
10 442  
—  
6 642  
—  
**1962**  
205.28  
6.2%  
10 764  
3.1%  
6 815  
2.6%  
1963  
220.41  
7.4%  
11 228  
4.3%  
6 858



0.6%

**1964**

237.91

7.9%

11 786

5.0%

6 908

0.7%

1965

252.48

6.1%

12 186

3.4%

6 958

0.7%

**1966**

263.69

4.4%

12 370

1.5%

7 250

4.2%

1967

282.66

7.2%

12 851

3.9%

7 375

1.7%

**1968**

294.40

4.2%

13 155

2.4%

7 814

6.0%

1969

308.29

4.7%

13 502

2.6%

7 820

0.1%

**1970**

324.47

5.2%

13 889

2.9%

8 014

2.5%

1971

338.35

4.3%

14 188

2.2%

8 587

7.1%

**1972**

343.95

1.7%

14 175

(0.1%)

8 837

2.9%

1973

359.67

4.6%

14 558

2.7%

8 815

(0.2%)

**1974**

381.65

6.1%

15 143

4.0%

9 086

3.1%

1975

388.12

1.7%

15 192

0.3%

9 395

3.4%

**1976**

396.86

2.2%

15 184

(0.1%)

8 904

(5.2%)

1977

396.48

(0.1%)

14 766

(2.8%)

9 188

3.2%

**1978**

408.44

3.0%

14 831

0.4%

8 751

(4.8%)

1979

423.92

3.8%

15 059

1.5%

9 127

4.3%

**1980**

451.98

6.6%

15 743

4.5%

9 690

6.2%

1981

476.21

5.4%

16 223

3.0%

9 217

(4.9%)

**1982**

474.39

(0.4%)

15 829

(2.4%)

9 167

(0.5%)

1983

465.63

(1.8%)

15 276

(3.5%)

9 233

0.7%

**1984**

489.37

5.1%

15 711

2.8%

9 677

4.8%

1985

483.44

(1.2%)

15 167

(3.5%)

9 354

(3.3%)

**1986**

483.53

0.0%

14 856

(2.1%)

8 865

(5.2%)

1987



493.69

2.1%

14 877

0.1%

9 151

3.2%

**1988**

514.42

4.2%

15 056

1.2%

9 357

2.3%

1989

526.74

2.4%

15 088

0.2%

9 364

0.1%

**1990**

525.07

(0.3%)

14 744

(2.3%)

9 210

(1.6%)

**1991**

519.72

(1.0%)

14 320

(2.9%)

9 063

(1.6%)

**1992**

508.61

(2.1%)

13 749

(4.0%)

8 959

(1.1%)

1993

514.89

1.2%

13 621

(0.9%)

8 727

(2.6%)

**1994**

531.54

3.2%

13 759

1.0%

8 700

(0.3%)

1995

548.10

3.1%

13 884

1.9%

8 861

1.9%

**1996**

570.86

4.2%

14 150

1.9%

9 121

2.9%

1997

585.15

2.5%

14 193

0.3%

9 138

0.2%

**1998**

588.34

0.5%

13 965

(1.6%)

9 041

(1.1%)

*Source:* South African Reserve Bank

a

At constant 1995 prices. In June 1999 Stats SA published revised data based on a new accounting framework, a change in the base year from 1990 to 1995, and a rebenchmarking of economic activity.

b

GDP per head is total GDP divided by the total population.

c

Personal disposable income per head is total pers

Real GDP per head declined by 1.6% in 1998, following growth of 0.3% in 1997—the first year of decline since 1993. In 1998 real GDP per head was at a similar level to what it had been in 1970.

The graph below shows GDP per head and personal disposable income per head in real terms from 1961 to 1998.

Real personal disposable income per head in 1998 of R9 041 was 7% below its peak of R9 690 in 1980. Between 1997 and 1998 it dropped by 1.1%. South Africans in 1998 were slightly worse off than in 1974, when personal disposable income per head was R9 086 (see *Growth rate* above). (See also section on *Wages and Income* in the chapter on *Employment*.)

## Provincial Growth

No new figures on provincial growth were available at the time of writing. The latest available information was published in the 1996/97 Survey on p660.

## Structure of Gross Domestic Product

The table and pie charts below show the proportional contribution of industries and sectors to South Africa's gross domestic product for 1998, along with comparisons with previous years.<sup>30</sup> [<sup>30</sup> SARB, *South Africa's National Accounts 1946-1998*, June 1999, ppB-10, B-18]

***Proportional contribution to annual GDP by industry at current prices: 1993–98***

*Industry*

1993

1994

1995

1996

1997

1998

Agriculture, forestry, and fishing

4.2%

4.6%

3.9%

4.2%

4.1%

4.0%

Agriculture

3.5%

3.9%

3.2%

3.5%

3.4%

3.3%

Forestry

0.6%

0.6%

0.6%

0.6%

0.6%

0.5%

Fishing

0.1%

0.1%

0.1%

0.1%

0.1%

0.1%

Mining and quarrying

7.7%

7.3%

7.0%

6.9%

6.5%

6.6%

### Coal mining

1.3%

1.3%

1.4%

1.4%

1.4%

1.4%

### Gold mining

3.9%

3.6%

2.8%

3.0%

2.6%

2.4%

### Mining of other metal ores

1.6%

1.5%

1.6%



1.6%

1.6%

1.9%

Other mining and quarrying<sup>a</sup>

0.8%

0.9%

1.2%

0.9%

0.8%

0.9%

**Primary industries**

11.9%

11.9%

10.8%

11.1%

10.6%

10.6%

Manufacturing

21.1%

20.9%

21.2%

20.3%

19.9%

18.9%

Food, beverages, and tobacco

3.6%

3.5%

3.5%

3.4%

3.4%

3.3%

Textiles, clothing, and leather goods

1.5%

1.5%

1.4%

1.3%

1.2%

1.1%

Wood and paper, publishing and printing

2.1%

2.0%

2.2%

2.0%

2.0%

1.9%

Petroleum products, chemicals, rubber, and plastic

3.9%

3.9%

3.9%

3.8%

3.8%

3.8%

Other non-metal mineral products

0.9%

0.9%

0.9%

0.8%

0.8%

0.7%

Metals, metal products, machinery, and equipment

4.3%

4.3%

4.5%

4.5%

4.4%

4.1%

Electrical machinery and apparatus

0.6%

0.6%

0.7%

0.6%

0.6%

0.6%

Radio, TV, instruments, watches, and clocks

0.3%

0.3%

0.3%

0.3%

0.3%

0.3%

Transport equipment

1.6%

1.6%

1.7%

1.6%

1.5%

1.3%

Furniture; other manufacturing<sup>a</sup>

2.4%

2.3%

2.2%

2.0%

2.0%

1.9%

Electricity and water

3.6%

3.6%

3.5%

3.2%

3.3%

3.1%

## Electricity

3.2%

3.2%

3.1%

2.9%

2.8%

2.6%

## Water

0.4%

0.4%

0.4%

0.4%

0.5%

0.5%

## Construction

3.2%

3.1%

3.2%

3.1%

3.1%

3.1%

## Secondary industries

27.9%

27.7%

27.9%

26.6%

26.3%

25.2%

## Wholesale, retail, and motor trade; catering and accomodation

14.4%

14.2%

14.3%

14.1%

13.8%

13.3%

## Wholesale trade

4.6%

4.4%

4.6%

4.6%

4.4%

4.2%

Retail trade; repairs of household goods<sup>a</sup>

7.1%

7.1%

6.9%

6.7%

6.7%

6.6%

Motor trade; repair of motor vehicles

1.6%

1.6%

1.7%

1.7%

1.6%

1.4%

Catering and accommodation

1.1%

1.1%

1.1%

1.1%



1.1%

1.1%

**Transport and communication**

8.7%

8.7%

8.9%

9.2%

9.3%

9.4%

**Transport<sup>a</sup>**

7.5%

7.5%

7.6%

7.9%

7.9%

8.2%

**Communication**

1.2%

1.2%

1.3%

1.3%

1.3%

1.3%

Finance, real estate, and business services

16.1%

16.0%

16.4%

16.7%

17.6%

18.4%

Finance and insurance

7.1%

6.7%

6.9%

7.0%

7.5%

7.5%

Real estate

5.2%

5.6%

5.8%

6.1%

6.3%

7.0%

**Business services**

3.7%

3.7%

3.7%

3.7%

3.8%

4.0%

**Community, social, and personal services**

2.4%

2.6%

2.7%

2.7%

2.8%

2.9%

**General government services**

16.0%

16.2%

16.2%

16.7%

16.8%

17.3%

**Other producers**

2.7%

2.7%

2.8%

2.8%

2.9%

3.0%

**Tertiary industries**

60.3%

60.4%

61.3%

62.2%

63.2%

64.3%

**All industries at basic prices**

100.0%

100.0%

100.0%

100.0%

100.0%

100.0%

*Source:* Statistics South Africa

a

## Unemployment

*Jobs lost non-agricultural formal sector : 186 522 (4Q 1998 vs 4Q 1997)*

*Job creation—Gear target 1998: 246 000*

*Job creation—Gear target 1999: 320 000*

*Employment growth in non-agricultural formal employment, Gear target 1998: 2.7%*

*Official unemployment rate (strict definition) 1997: 22.9% (1996: 21%)*

*Expanded unemployment rate 1997: 37.6% (1996: 35.6%)*

Employment levels in the private formal non-agricultural sectors declined by some 3.7% in the year to December 1998, according to the South African Reserve Bank. The mining sector, which was badly affected by the drop in international commodity prices, and the construction sector, which was dampened by the rise in financing costs and home mortgage rates, were the worst hit, although the decline slowed down in the course of 1998. Employment in the public sector increased in the first half of 1998, but began declining towards the end of the year. The reserve bank commented that it was not typical to see declines in public sector employment during a slowdown in the economy. The current decline should, therefore, be regarded as ‘evidence of the government’s resolve to improve efficiency in public service delivery and reduce the overall size of the public sector’.<sup>31</sup> [<sup>31</sup> SARB, *Quarterly Bulletin*, June 1999, p8]

Dr Chris Stals, governor of the reserve bank, said that the ‘most daunting challenge for the South African economy’ was to reverse the trend of declining employment. Total formal non-agricultural

employment declined by an average annual rate of 1.3% between 1989 and 1993, and by 2% from 1994 to 1998, according to the reserve bank.<sup>32</sup> [<sup>32</sup> Dr Chris Stals, address at a conference organised by Omega Investment Research, Frankfurt, 25 January 1999]

According to the 1999 *Budget Review*, as the labour force was growing at an average annual rate of 3%, and employment levels were continuing to decline, the 'growing mismatch between the supply of and demand for labour' would continue.<sup>33</sup> [<sup>33</sup> Department of Finance, *Budget Review 1999*, 17 February 1999, p50] (See also chapter on *Employment*.)

## Skill Shortage

In 1998 some 19.8% of capacity in the manufacturing sector in South Africa was underutilised. Of this underutilisation, a very small part (1.5% compared with 2.6% in 1997) was the result of a shortage of skilled labour. Most of the underutilisation (73.7%) was the result of insufficient demand, followed by shortages of raw materials (7.1%), as well as 'other' factors (17.7%) such as downtime due to maintenance, lower productivity, and seasonal factors.<sup>34</sup> [<sup>34</sup> Stats SA, *Manufacturing: utilisation of production capacity*, Statistical Release P3043, 18 February 1999]

Only one out of every five South Africans was formally qualified to perform highly skilled work, according to the director general of labour, Mr Siphon Pityana. This compared poorly with other middle-income and advanced industrial countries—professionals in South Africa constituted less than 4% of the labour force, compared with 8% in other middle-income countries, and 10.5% in advanced industrial countries. Only 12% of South Africa's labour force was in craft and related trades, compared with 18% in other middle-income countries, and 16.5% in industrial countries, Mr Pityana said.<sup>35</sup> [<sup>35</sup> *The Star* 21 August 1998]

From 1973 to 1993 the proportion of highly skilled jobs in South Africa rose from 10% to nearly 18% of the labour force, and the proportion of skilled jobs from 29% to 34%. Semi-skilled and unskilled jobs declined from 61% to 48% in the same period.

The following pie charts illustrate the distribution of highly skilled, skilled and unskilled jobs in the South African economy in 1973 and 1993.

Of the economically active population (EAP), only 3m were skilled or highly skilled (some 20%); 7m were employed in so-called semi-skilled or unskilled jobs (80% of the EAP); and 4m were unemployed. Mr Pityana said that the shortage of skills was a 'major handicap to our country's growth opportunities'.<sup>36</sup> [<sup>36</sup> *Ibid*] (See also chapter on *Employment*.)

## Productivity Constraints

Nominal remuneration per worker in the formal non-agricultural sectors increased by 10.7% in 1997,

and by 15.7% in 1998. (Part of the rise was the result of a change in survey methodology.) The growth in nominal remuneration per worker in 1998 exceeded the growth in output prices. Therefore, the real product wage (ratio of remuneration per worker to output prices) rose by 7.4% in 1998. This was the third consecutive year of acceleration.<sup>37</sup> [<sup>37</sup> SARB, *Quarterly Bulletin*, June 1999, p9]

During 1998 there was 'solid growth' in labour productivity. Growth in output per worker in the formal economy was 5.1%. However, heightened strike activity in the second half of 1998 slowed down productivity growth (see also chapter on *Employment*). There was an acceleration in growth in nominal unit labour costs (ie the cost of labour per unit of output) from 1997 to 1998. The reserve bank said that this acceleration could 'potentially halt the decline in domestically generated production price and core inflation'.<sup>38</sup> [<sup>38</sup> Ibid]

According to figures compiled by the National Productivity Institute, in 1996 South Africa was the only country in a selection of nine to have a negative productivity record, but it recorded the highest increase in labour unit costs. In South Africa labour unit costs increased by 7.5%, while countries such as Germany, Singapore, and Taiwan reduced their labour costs through higher productivity. The table below presents information on productivity and labour costs in nine countries in 1996.<sup>39</sup> [<sup>39</sup> *Finance Week* 13 November 1998]

***Productivity and labour costs in nine countries: 1996***

*Country*

Productivity growth

Growth in unit labour costs

Australia

5.29%

1.50%

Germany

5.78%

(4.00%)

Ireland

3.17%

(1.50%)

**Japan**

2.70%

(2.20%)

**Singapore**

3.19%

(3.04%)

*South Africa*

(0.87%)

7.50%

**South Korea**

6.63%

1.30%

**Taiwan**

5.97%

(0.67%)

**United States**

0.31%

(0.30%)

*Source:* National Productivity I



From 1970 to 1997 South Africa's wage and salary cost per unit produced in manufacturing increased by 231%, according to the National Productivity Institute. Although this was worse than the United States (a 134% increase), it was lower than France with 269%, the United Kingdom with 396%, Germany with 439%, and Japan with 557%.<sup>40</sup> [<sup>40</sup> 'South Africa's Productivity Story not all Bad News', <http://www.npi.co.za/news/prody.html>, 3 April 1999]

Professor Nicoli Nattrass of the School of Economics at the University of Cape Town, said in October 1998 that the wages of South African workers in manufacturing were high in comparison with productivity levels. She added that exports by labour-intensive companies were not growing, while those by capital-intensive companies were.<sup>41</sup> [<sup>41</sup> *Finance Week* 13 November 1998]

## Poverty

The National Economic Development and Labour Council (Nedlac) said, in its *Report on Social and Economic Developments in South Africa '98*, that 'povety exists where people do not have at their disposal the means of achieving a minimum acceptable standard of living'. The report highlighted several facets of poverty in South Africa, drawing on, inter alia, the 1995 October Household Survey. Issues highlighted included:<sup>42</sup> [<sup>42</sup> Nedlac, *Report on Social and Economic Developments in SA '98*, <http://www.nedlac.org.za/summit/1998/social98.html>, 13 September 1999]

- poverty was related to race: some 61% of Africans and 38% of coloured people were poor, compared with 5% of Indians and 1% of whites;
- most of the poor (some 70%) resided in rural areas;
- three out of every five children in South Africa lived in poor households. Poverty among children was particularly acute in predominantly rural provinces, such as the Eastern Cape;
- households headed by women were much more likely to be living in poverty than households headed by men;
- some 55% of the poor were unemployed, compared with 14% among the non-poor; and
- the poor often did not have access to various amenities and social services, such as adequate health care, education, and telephones.

A 1999 report by the Department of Finance provided a provincial breakdown, based on data from 1991 (and therefore discounting 'improvements since the transition to democracy'), of South Africa's human development index (HDI, a measure of life expectancy, living standards, and educational attainments).

HDI is measured on a scale of 0 to 1: an HDI of less than 0.5 indicates a low level of development, an HDI of between 0.5 and 0.8, a medium level, and an HDI of 0.8 or above, a high level of development. South Africa's HDI was 0.677, comparable to Paraguay and Sri Lanka.

The table below shows the HDIs of the nine provinces.<sup>43</sup> [43 Department of Finance, *Intergovernmental Fiscal Review 1999*, September 1999, p17]

***Provincial HDI: 1991***

Eastern Cape

0.507

Free State

0.657

Gauteng

0.820

KwaZulu-Natal

0.602

Mpumalanga

0.694

North West

0.543

Northern Cape

0.698

Northern Province

0.470

## Western Cape

0.826

*Source:* Department of Finance

Two provinces, Gauteng and the Western Cape, had a high level of development, comparable to Singapore and Venezuela; six, the Eastern Cape, Free State, KwaZulu-Natal, Mpumalanga, North West, and the Northern Cape, had a medium level of development, comparable to Paraguay, Sri Lanka, China, and Swaziland; one, the Northern Province, had a low level of development, comparable to Zimbabwe.<sup>44</sup> [44 Ibid]

After becoming governor of the South African Reserve Bank in August 1999, Mr Tito Mboweni commented that the bank's contribution to the alleviation of poverty was to promote financial stability. He said, 'Many of our people remain poverty-stricken, living below the breadline in makeshift shacks that do little to keep out the winter cold. To them, the concept of financial stability might be remote, but the only way in which their lot can be improved on a sustainable basis is if the reserve bank does not deviate from its course.'<sup>45</sup> [45 *Business Day* 2 September 1999]

According to the minister of labour, Mr Membathisi Mdladlana, poverty was evident in South Africa's labour force: some 26% of the workforce earned less than R500 a month, and a further 40% less than R900 a month.<sup>46</sup> [46 Ibid 16 September 1999]

(See also *The budget and the po*

## Inflation

*Average inflation rate 1998: 6.9%*

*Gear target 1998: 8.1%*

*Forecast range 1999: 5.3%–5.5%*

*Average producer price rise 1998: 3.5% (the lowest since 1970: 3.1%)*

*Forecast range 1999: 5.7%–6.0%*

Average consumer price inflation was 6.9% in 1998, the lowest since 1972, when it was 6.5%. In 1997 it was 8.6%. Average core inflation was 7.5%, up 1.3 percentage points compared with 1997. (Core inflation seeks to 'capture the underlying inflationary pressures in the economy', and therefore excludes

items whose prices are volatile, subject to temporary influences, or are affected by government intervention. Core inflation thus excludes fresh and frozen meat and fish; fresh and frozen vegetables, and fresh fruit and nuts; interest rates on mortgage bonds and overdrafts and personal loans; VAT; and assessment rates.) Average food inflation was 6.2%—a drop of 1.1 percentage points on 1997.<sup>47</sup> [<sup>47</sup> Fast Facts No 2 February 1999]

The reserve bank said in March 1999 that, given the weakness in domestic demand, it expected consumer price inflation and core inflation to fall ‘quite sharply’ during 1999 should the rise in mortgage rates be reversed and the growth in unit labour costs continue ‘at a moderate pace’.<sup>48</sup> [<sup>48</sup> SARB, *Quarterly Bulletin*, March 1999, p13]

The average annual change in the consumer price index between 1989 and 1993 was 13.6%, according to the governor of the reserve bank, Dr Chris Stals. Between 1994 and 1998 this dropped to 8.1%. It was expected to drop further in the period 1999 to 2003—averaging 5.5% a year.<sup>49</sup> [<sup>49</sup> Chris Stals, governor of the South African Reserve Bank, address at a conference organised by Omega Investment Research, Frankfurt, 25 January 1999] In a statement on monetary policy in March 1999, Dr Stals said that the reserve bank was required to protect the value of the rand. To achieve this South Africa’s inflation needed to be brought into line with the average rate of inflation in South Africa’s major trading partners and international competitors. One of the reserve bank’s aims was, therefore, to lower core inflation to between 1% and 5% during the next three years.<sup>50</sup> [<sup>50</sup> SARB, *Quarterly Bulletin*, June 1999, p18]

The average annual producer price rise fell to 3.5% in 1998—the lowest in 28 years. Although in December 1998 the year-on-year rise was 4.1%, it was still well below the peak of 9.6% in March 1997.<sup>51</sup> [<sup>51</sup> Ibid, March 1999, p11]

The graph below shows the rate of increase in the CPI from 1972 to 1998 and real prime over that period.

The following table shows the changes in the consumer price index (CPI), the producer price index (PPI), core inflation, and real prime overdraft rate from 1972 to 1998:<sup>52</sup> [<sup>52</sup> Stats SA, fax communication, 5 June 1998; Stats SA, *Consumer Price Index*, Statistical Release P0141.1, 18 May 1999; Stats SA, *Production Price Index*, Statistical Release P0142.1, 26 May 1999; SARB, fax communication, 16 April 1999]

### ***Inflation and interest rates: 1972-98***

*Year*

Change in consumer price index

Change in producer price index

## Core inflation<sup>a</sup>

### Real prime overdraft rate

1972

7.0%

7.1%

N/A

2.17%

**1973**

9.8%

15.0%

N/A

(1.47%)

1974

11.9%

17.4%

N/A

(1.24%)

**1975**

13.3%

16.0%

N/A

(1.48%)

1976

10.6%

16.0%

N/A

0.94%

**1977**

11.7%

12.8%

N/A

1.22%

1978

10.5%

9.8%

N/A

1.72%

**1979**

12.9%

15.6%

N/A

(2.70%)

1980

13.7%

16.0%

N/A

(3.74%)

**1981**

15.4%

13.8%

N/A

(1.06%)

1982

14.5%

14.1%

N/A

4.02%

**1983**

12.7%

10.6%

N/A

3.78%

1984

11.3%

8.1%

N/A

9.59%

**1985**

16.6%

17.1%

N/A

4.59%

1986

18.4%

19.5%

N/A

(3.62%)

**1987**

16.1%

14.0%

N/A

(3.11%)



1988

12.9%

132.%

N/A

2.20%

**1989**

14.8%

15.2%

N/A

4.50%

1990

14.2%

12.0%

N/A

5.82%

**1991**

15.4%

11.5%

N/A

4.35%

1992

13.9%

8.2%

N/A

4.27%

**1993**

9.7%

6.6%

N/A

5.90%

1994

8.9%

8.2%

N/A

6.06%

**1995**

8.7%

9.6%

N/A

8.53%

1996

7.4%

6.9%

N/A

11.31%

**1997**

8.6%

7.1%

N/A

10.51%

1998

6.9%

3.5%

7.5%

13.96%

*Source:* Statistics South Africa: South African Reserve Bank

a

Core inflation is derived by excluding certain items from the CPI basket on the basis that changes in their prices are highly volatile, subject to temporary influences or affected by government intervention and policy. These items are fresh and frozen meat and fish: fresh and frozen vegetables, and fresh fruit and nuts: interest rates on mortgage bonds and overdrafts and personal loans: VAT: and assessment rates. The official measurement was introduced for the first time i

## **Inflation Targeting**

The government would consider inflation targeting to measure the reserve bank's performance, the minister of finance, Mr Trevor Manuel, said in January 1999. Mr Manuel said that other countries set such criteria for the testing of a central bank's performance.<sup>53</sup> [<sup>53</sup> *Business Day* 18 January 1999, *Business Report* 19 January 1999] Although Dr Stals had commented in 1998 that South Africa was not yet ready for inflation targeting, in February 1999 he said that inflation targets could be implemented.<sup>54</sup> [<sup>54</sup> *Business Day* 10 February 1999] If inflation targets were endorsed by the government it would give them 'more credibility', thus making it easier for the reserve bank to defend them, Dr Stals said. In the same month Mr Manuel said that he recognised the need for the government to set inflation targets in collaboration with the reserve bank, but he did not indicate when the initiative would be undertaken.<sup>55</sup> [<sup>55</sup> *Business Report* 18 February 1999]

In March 1999 Dr Stals said, 'The realisation of the full economic growth potential of South Africa depends on the elimination of existing structural deficiencies, including a permanent reduction in the inflation rate to a level more in line with the rest of the world.' In the absence of official inflation targets, the bank would focus on bringing core inflation into line with the country's major trading partners within three years, ie inflation of 1% to 5% (see also above).<sup>56</sup> [<sup>56</sup> *Business Day* 11, 15 March 1999] He added in the same month that it was essential that the government through the minister of finance should endorse reserve bank targets or alternatively set quantitative inflation targets together with the bank for it to pursue.<sup>57</sup> [<sup>57</sup> Dr Chris Stals, address at a breakfast meeting of the Johannesburg branch of the Institute of Bankers in South Africa, Johannesburg, 17 March 1999]

In August 1999 Mr Manuel, who had been reappointed as minister of finance in Mr Thabo Mbeki's new cabinet, said that the first inflation targets would be announced in the first quarter of 2000.<sup>58</sup> [<sup>58</sup> *The Citizen* 3 August 1999] At the annual general meeting of the reserve bank in the same month, the newly appointed governor of the bank, Mr Tito Mboweni, said that inflation targeting should be set jointly by the bank and the government. The adoption of inflation targeting would also make it clear that the containment of inflation was not solely the responsibility of the reserve bank, Mr Mboweni said.<sup>59</sup> [<sup>59</sup> Mr Tito Mboweni, governor of the SARB, address at the seventy-ninth ordinary general meeting of shareholders of the bank, 24 August 1999]

## Interest Rates and Monetary Policy

Notwithstanding the sharp increase in interest rates during 1998, a slowing economy, and low inflation, growth in broad money supply (M3) remained strong for most of the year. The South African Reserve Bank's upper limit for the M3 guideline, which remained at a year-on-year rate of 10% in 1998, was 'consistently' exceeded throughout the year. The twelve-month growth rate in M3 reached 19.4% in June 1998—the highest since 1990.<sup>60</sup> [<sup>60</sup> SARB, *Quarterly Bulletin*, March 1999, p19] By June 1999 the growth rate had dropped to 6.6%, however.<sup>61</sup> [<sup>61</sup> Fast Facts No 9 September 1999]

According to the 1999 *Budget Review*, credit extension to the private sector was the primary factor

driving the rapid growth in money supply in 1998. The rate of increase in total domestic credit extension peaked at 21.7% in August 1998, and then fell to 18.7% in December as the effects of high interest rates started filtering through.<sup>62</sup> [<sup>62</sup> Department of Finance, *Budget Review 1999*, p53] By July 1999 it had dropped to 9.7%.

A new repo (repurchase) rate system came into effect in March 1998 (see 1997/98 Survey, p420). Under this system the reserve bank would dictate the amount of liquidity it was willing to supply to banks and let the market settle around the respective interest rate. The new system was designed to bring 'greater flexibility and transparency to the operation of monetary policy and the setting of interest rates'. However, the introduction of the repo rate was complicated by the turmoil in international financial markets in 1998, according to the 1999 *Budget Review*.<sup>63</sup> [<sup>63</sup> Ibid, p34]

The rate on repurchase transactions of the reserve bank started declining steadily from a high of 21.855% on 14th October 1998 to 17.05% on 4th March 1999. Private banks lowered their prime overdraft rates in six successive steps from 25.5% on 18th October 1998 to 20% on 8th March 1999. There were additional cuts in prime overdraft rate in the following months, down to 16.5% in August 1999. By then the rate had fallen 6.5 percentage points since the beginning of 1999, reaching its lowest level since September 1994.<sup>64</sup> [<sup>64</sup> *The Citizen* 24 July 1999] The predominant rate on mortgage loans was also lowered, from 24% in September 1998 to 20% in March 1999.<sup>65</sup> [<sup>65</sup> SARB, *Quarterly Bulletin*, March 1999, pp24–25] The downward trend continued and in August 1999 the predominant rate on mortgage loans was 16.5%.<sup>66</sup> [<sup>66</sup> Information provided by the SARB, 16 August 1999]

In March 1999 Dr Stals announced three-year targets for money supply and credit extension. The guideline range for money supply growth was set at an annual average of 6% to 10% over the period, while total credit extension by banks would be contained at less than 10% annually.<sup>67</sup> [<sup>67</sup> *Financial Mail* 19 March 1999]

The graph below shows real prime lending rate from 1984 to 1998.

Interest rates in South Africa between 1984 and 1998 are given below (figures in brackets denote negative real interest rates).<sup>68</sup> [<sup>68</sup> Fax information from the SARB, 16 April 1999]

### ***Interest rates: 1984–98***

*Year end*

Bank rate<sup>a</sup>

Prime overdraft rate<sup>b</sup>

## Real prime overdraft rate<sup>c</sup>

### Mortgage bond rate

1984

20.80%

24.00%

9.59%

20.00%

**1985**

13.00%

16.50%

4.59%

18.25%

1986

9.50%

12.00%

(3.62%)

14.00%

**1987**

9.50%

12.50%

(3.11%)

12.50%

1988

14.50%

18.00%

2.20%

17.00%

**1989**

18.00%

21.00%

4.50%

20.75%

1990

18.00%

21.00%

5.82%

20.75%

**1991**

17.00%

20.25%

4.35%

20.00%

1992

14.00%

17.25%

4.27%

16.75%

**1993**

12.00%

15.25%

5.90%

15.25%

1994

13.00%

16.25%

6.06%

16.25%

**1995**

15.00%

18.50%

8.53%



18.25%

1996

17.00%

20.25%

11.31%

20.00%

**1997**

16.00%

19.25%

10.51%

19.00%

1998

19.38%<sup>d</sup>

21.55%

13.96%

22.75%

*Source:* South African Reserve Bank

a

Rate at which the reserve bank lends to banks.

b

Lowest overdraft rate charged by banks (average for the year).

c

Average prime overdraft rate adjusted for inflation.

d

Average repo rate for 1998 (March to December).

In August 1999 the former minister of labour, Mr Tito Mboweni, became the first black governor of the reserve bank. Just before he became governor, he outlined three options for monetary policy: exchange rate targeting, which had, however, been universally discredited; a currency board; and inflation targeting (see also *Inflation rate* above). Inflation targeting meant that instead of using an intermediate target such as money supply growth to monitor inflationary pressure, the bank would target inflation directly. The target would be set by the government, while the bank would be left to achieve it by any means it chose.<sup>69</sup> [<sup>69</sup> *Financial Mail* 7 August 1999]

Mr Mboweni said that the reserve bank would continue to combat inflation, since ‘inflation is worse for the poor because it erodes what little they have ... the best contribution to everyone’s welfare is to attain lower leve

## Saving and Investment

### Saving

*Gross saving as a proportion of GDP 1998: 14.1%*

*Saving to disposable income of households 1998: 1.4%*

*Household debt to disposable income of households 1998: 60.7%*

According to the 1999 *Budget Review*, low domestic saving remained a key constraint upon economic growth. Since 1994 the level of saving has been insufficient to achieve the desired investment rate of over 20% of GDP.<sup>71</sup> [<sup>71</sup> Department of Finance, *Budget Review 1999*, pp46–47] (See also *Investment* below.) The aggregate saving ratio in 1998 declined to 14.1% of GDP, from 14.6% in 1997.<sup>72</sup> [<sup>72</sup> SARB, *Quarterly Bulletin*, June 1999, pS-148] The reserve bank said that because domestic saving fell ‘well short’ of required gross investment, a ‘substantial portion of the country’s domestic financing requirements had to be met from foreign resources’. The saving ratio was ‘even more insufficient for the development needs of the

country than a few years ago'.<sup>73</sup> [<sup>73</sup> Ibid, March 1999, p8] In May 1999 the minister of finance, Mr Trevor Manuel, said that South Africa was one of the countries with the lowest saving as a ratio of total output. Singapore, by contrast, had a saving ratio of 53%.<sup>74</sup> [<sup>74</sup> *Business Day* 3 May 1999]

The declining trend in gross domestic saving as a proportion of GDP is illustrated in the graph below.

The following table shows gross domestic saving as a proportion of GDP, personal saving as a proportion of personal disposable income, and household debt as a proportion of personal disposable income from 1960 to 1998:<sup>75</sup> [<sup>75</sup> SARB, fax communication, 13 July 1999]

***Gross domestic saving, personal saving, and household debt: 1960–98***

*Year*

Gross domestic saving to GDP

Personal saving to personal disposable income

Household debt to personal disposable income

1960

22.4%

6.3%

N/A

**1961**

24.2%

10.5%

N/A

1962

24.5%

12.5%

N/A

**1963**

25.3%

10.8%

N/A

1964

23.5%

7.4%

N/A

**1965**

22.3%

7.6%

N/A

1966

22.8%

9.3%

N/A

**1967**

24.1%

9.5%

N/A

1968

24.5%

10.5%

N/A

**1969**

22.8%

7.6%

39.0%

1970

20.4%

6.4%

40.7%

**1971**

23.2%

11.1%

38.8%

1972

24.9%

11.3%

38.5%

**1973**

24.4%

6.2%

41.7%

1974

25.8%

7.5%

41.3%

**1975**

24.3%

8.1%

40.7%

1976

22.9%

5.5%

42.7%

**1977**

27.6%

11.1%

39.1%

1978

27.5%

7.8%

40.6%

**1979**

31.5%

10.9%

38.9%

1980

33.9%

10.7%

38.9%

**1981**

27.2%

3.2%

43.9%

1982

20.6%

2.7%

45.9%

**1983**

24.3%

1.9%

48.7%

1984

22.5%

5.5%

51.3%

**1985**

24.6%

10.3%

51.0%

1986

23.2%

5.5%

48.9%

**1987**

21.7%

6.4%

45.4%



1988

22.6%

6.3%

47.4%

**1989**

22.4%

6.5%

49.7%

1990

19.1%

2.7%

52.2%

**1991**

18.6%

2.6%

52.9%

1992

16.3%

5.3%

50.8%

**1993**

16.4%

4.5%

52.0%

1994

16.9%

2.8%

54.4%

**1995**

16.5%

1.8%

57.4%

1996

15.8%

1.8%

60.5%

**1997**

14.6%

1.6%

61.2%

1998

14.1%

1.4%

60.7%

*Source:* South Afri

Corporate saving declined as a proportion of GDP from 5.6% in 1997 to 4.3% in 1998. Household saving as a proportion of GDP declined to below 0.9% in 1998. This was owing largely to the high level of household debt, the sharp increase in the cost of interest on household debt, and the slower growth in personal disposable income, according to the reserve bank.<sup>76</sup> [<sup>76</sup> SARB, *Quarterly Bulletin*, March 1999, p9; June 1999, ppS-106, S-126] Since 1992 the personal saving rate to personal disposable income has been declining, reaching 1.4% in 1998. At the same time household debt to personal disposable income rose from some 51% in 1992 to 61% in 1998.<sup>77</sup> [<sup>77</sup> Ibid, June 1999, pS-146]

Government dissaving (current expenditure being in excess of current income) declined from 4.9% of GDP in 1997 to 3.9% in 1998. This was owing to an improvement in the financial position of general government.<sup>78</sup> [<sup>78</sup> Ibid, ppS-106, S-126] The reserve bank commented that against the backdrop of declining private sector saving ratios, it was important for public finance policy to focus on the reduction of current deficits to eliminate dissaving by general government, and on broadening the tax base to prepare the way for cuts in tax rates which were likely to bolster private sector saving.<sup>79</sup> [<sup>79</sup> SARB, *Quarterly Bulletin*, March 1999, p9]

By contrast with South Africa, said the Department of Finance, in southeast Asia between 1975 and 1995, private saving increased from 15% to 25% of GDP, while GDP increased by 200%. Government saving averaged about 10% of GDP annually, and contributed substantially to investment growth rates of nearly 30% annually.<sup>80</sup> [<sup>80</sup> Department of Finance, *Budget Review 1999*, p49]

## Investment

Real gross domestic fixed investment grew by 4.8% in 1997, and by 5.2% in 1998. The strong growth was primarily the result of investment by public corporations, according to the reserve bank. Real fixed investment by public corporations rose by 51% in 1998, mainly because of the expansion of the telecommunications network by Telkom and additions to the fleet of passenger aircraft of South African Airways. Real fixed investment spending by public authorities grew by 3% in 1998 because of a steady rise in capital spending by the business enterprises of general government. However, real fixed investment by the private sector registered a decline of 2.9% in 1998, as compared with real growth of

3% in 1997.<sup>81</sup> [<sup>81</sup> SARB, *Quarterly Bulletin*, March 1999, p7]

In 1998 the ratio of gross domestic fixed investment to GDP was 16.5% (slightly better than the 16.4% in 1997), while gross domestic saving was 14.1%.<sup>82</sup> [<sup>82</sup> Ibid, June 1999, pS-148] (The generally accepted international standard for a satisfactory level of gross domestic fixed investment is 25% of GDP.)

The graph below shows gross domestic fixed investment (GDFI) as a proportion of GDP from 1946 to 1998.

The following bar chart shows the annual increase/decrease in GDFI from 1947 to 1998:

The table below shows GDFI at constant 1995 prices, annual changes, and GDFI as a proportion of GDP from 1946 to 1998.<sup>83</sup> [<sup>83</sup> Fax communication from the SARB, 16 July 1999]

***Real gross domestic fixed investment: 1946–98***

*Year*

Total<sup>a</sup> Rm

Increase (decrease)

GDFI as proportion of GDP

1946

13 281

–

15.6%

**1947**

16 457

23.9%

19.1%

1948

20 953

27.3%

23.4%

**1949**

21 581

3.0%

23.8%

1950

20 088

(6.9%)

21.2%

**1951**

19 722

(1.8%)

21.8%

1952

22 725

15.2%

25.9%

**1953**

25 539

12.4%

25.2%

1954

26 222

2.7%

23.7%

**1955**

25 308

(3.5%)

22.0%

1956

24 847

(1.8%)

20.6%

**1957**

26 174

5.3%

20.8%

1958

29 087

11.1%

22.7%

**1959**

27 436

(5.7%)

20.5%

1960

27 853

1.5%

19.5%

**1961**

27 879

0.1%

18.7%

1962

27 231

(2.3%)

17.7%

**1963**

32 093

17.9%

19.4%

1964

38 403

19.7%

21.8%

**1965**

45 105

17.5%

24.4%

1966

44 592

(1.1%)

23.2%

**1967**

45 742

2.6%

22.1%

1968



47 813

4.5%

21.7%

**1969**

53 806

12.5%

22.1%

1970

61 484

14.3%

24.3%

**1971**

68 131

10.8%

25.7%

1972

72 112

5.8%

26.4%

**1973**

75 877

5.2%

24.9%

1974

80 832

6.5%

24.7%

**1975**

88 719

9.8%

29.0%

1976

87 623

(1.2%)

29.7%

**1977**

82 399

(6.0%)

27.6%

1978

80 114

(2.8%)

25.9%

**1979**

83 454

4.2%

25.8%

1980

97 705

17.1%

25.9%

**1981**

106 455

9.0%

27.5%

1982

104 166

(2.1%)

27.5%

**1983**

100 478

(3.5%)

26.0%

1984

98 981

(1.5%)

24.0%

**1985**

92 026

(7.0%)

22.8%

1986

74 932

(18.6%)

19.6%

**1987**

71 098

(5.1%)

17.8%

1988

80 045

12.6%

19.4%

**1989**

85 252

6.5%

20.2%

1990

83 256

(2.3%)

19.1%

**1991**

77 105

(7.4%)

17.2%

1992

73 049

(5.3%)

15.7%

**1993**

72 644

(0.6%)

14.7%

1994

78 635

8.2%

15.2%

**1995**

87 042

10.7%

15.9%

1996

93 560

7.5%

16.2%

**1997**

98 462

5.2%

16.4%

1998

103 231

4.8%

16.5%

*Source: S*

The table below shows GDFI by type of organisation at constant 1995 prices from 1946 to 1998.<sup>84</sup> [<sup>84</sup> SARB, *South Africa's National Accounts 1946-98*, supplement to the SARB, *Quarterly Bulletin*, July 1999; SARB, fax communication, 4 August 1999]

***GDFI by type of organisation: 1946-98<sup>a</sup>***

*Public authorities<sup>b</sup>*

Year

PriGenBusiness enterprises<sup>c</sup>

Public corporations<sup>d</sup>

RPrivate business as a proportion of total

1946

8 138

5 550

287

61.3%

**1947**

10 321

6 443

465

62.7%

1948

12 585

7 316

1 766

60.1%

**1949**

13 153

8 186

1 157

60.9%

1950

12 686

6 907

1 206

63.2%

**1951**

13 178

6 083

1 045

66.8%

1952



15 085

6 922

1 361

66.4%

**1953**

15 345

8 657

2 344

60.1%

1954

16 452

8 642

1 953

62.7%

**1955**

15 590

9 550

1 244

61.6%

1956

14 417

10 366

1 292

58.0%

**1957**

14 963

11 273

1 301

57.2%

1958

14 875

14 334

1 697

51.1%

**1959**

14 806

12 139

1 927

54.0%

1960

15 947

2 595

9 257

1 470

57.3%

**1961**

15 693

3 085

9 123

1 459

56.3%

1962

14 994

3 193

8 812

1 672

55.1%

**1963**

17 697

3 334

10 154

2 441

55.1%

1964

22 185

3 677

11 718

2 556

57.8%

**1965**

24 735

4 646

14 870

3 136

54.8%

1966

23 782

4 879

14 351

3 765

53.3%

**1967**

24 362

4 710

14 209

4 498

53.3%

1968

25 230

5 081

14 999

4 687

52.8%

**1969**

29 160

6 308

15 906

4 859

54.2%

1970

34 056

6 846

17 329

5 787

55.4%

**1971**

36 471

7 922

21 194

5 827

53.5%

1972

36 279

8 455

24 905

6 387

50.3%

**1973**

39 111

7 403

22 771

9 558

51.5%

1974

41 968

8 215

22 966

10 627

51.9%

**1975**

43 398

8 827

26 326

13 407

48.9%

1976

41 203

8 300

28 627

13 105

50.0%

**1977**

39 274

7 650

23 627

14 426

47.7%

1978

38 277

6 781

20 462

16 316

47.8%

**1979**

39 484

6 936

20 387

18 143

47.3%

1980

48 865

6 824



20 679

22 189

50.0%

**1981**

58 606

6 934

23 863

18 639

55.1%

1982

58 417

6 212

25 049

16 414

58.1%

**1983**

57 549

6 001

22 238

16 170

57.2%

1984

57 828

5 944

19 598

16 595

56.1%

**1985**

50 564

5 871

19 610

17 060

54.9%

1986

42 160

5 809

16 522

12 201

56.3%

**1987**

43 797

5 842

14 689

10 094

61.6%

1988

51 560

5 985

14 112

9 449

64.4%

**1989**

52 656

6 425

14 442

12 713

61.8%

1990

52 861

11 826

5 944

13 091

63.5%

**1991**

49 936

10 678

5 059

11 735

64.8%

1992

48 749

10 737

2 571

10 983

66.7%

**1993**

50 823

9 979

2 508

9 334

70.0%

1994

57 282

10 111

2 273

8 969

72.8%

**1995**

63 534

11127

1 996

10 385

73.0%

1996

68 264

10 771

3 044

11 481

73.0%

**1997**

71 449

11 375

3 048

12 590

72.6%

1998

69 385

11 961

2 827

19 058

67.2%

*Source:* South African Reserve Bank

a

At constant 1995 prices.

b

Only total figures for public authorities were available for the period 1946–59.

c

Includes parastatals.

d

Includes the South African Post Office, Telkom, and Transnet.

N/A – Not available.

According to a report by Nedcor on capital expenditure, private sector spending on capital investment for 1998 reflected a ‘strong decline in new projects in most sectors of the economy’, with only Gauteng’s

casino developments (worth about R2.5bn) and Vodacom and MTN's cellular network expansions (valued at R3bn) 'boosting the 1998 figure'. Actual spending on capital projects in 1998 was estimated at about R59.9bn, while spending in 1999 would be about R56.9bn (a drop of 5%). In 1997 actual spending was R61.7bn. Ms Nicola Veldtman, author of the report, believed that the private sector had built up enough excess productive capacity in the preceding four years to meet increases in demand during 1999 and the first half of 2000.<sup>85</sup> [<sup>85</sup> *Financial Mail* 12 February 1999]

## **Foreign Investment**

The composition of South Africa's capital flows would hinder the longer-term growth momentum of the economy, according to BOE Securities. Persistent growth in the South African economy since 1993 had been sustainable only because of substantial capital inflows. However, these took the form of portfolio investments rather than foreign direct investment, particularly in 1997 and early 1998.<sup>86</sup> [<sup>86</sup> *Business Day* 27 January 1999] South Africa attracted more than R200bn in foreign investment funds over the five-year period from 1994 to 1998, according to Dr Stals. However, one important weakness in the capital inflows was the fact that about 80% of total foreign funds invested in South Africa came in the form of portfolio investment.<sup>87</sup> [<sup>87</sup> Dr Chris Stals, address at the 52nd Congress of the South African Nurserymen's Association, 17 May 1999]

Foreign direct investment into South Africa dropped from R17.6bn in 1997 to R3.1bn in 1998, according to the South African Reserve Bank. This was largely owing to the decline in international confidence in emerging markets, of which South Africa is one. There was also an outflow of capital because of the acquisition of foreign direct investment assets by South African entities. In 1997 this amounted to some R10.8bn, and in 1998 to some R9.6bn.<sup>88</sup> [<sup>88</sup> SARB, *Quarterly Bulletin*, June 1999, p14]

Total foreign direct investment from 1994 to June 1998 amounted to R39.25bn. About 18% of that was invested in the telecommunications sector, 12% in energy and oil, 11% in motor and components, and 10.5% in food and beverages, according to a private group, Business Map SA.<sup>89</sup> [<sup>89</sup> Business Map SA, *SA Investment Report-June 1998*, p18]

South Africa's investment in the other 13 countries of the Southern African Development Community increased from less than \$50m in 1994 to more than \$4bn in the first three quarters of 1998.<sup>90</sup> [<sup>90</sup> *Business Day* 5 November 1998]

Statistics from the South African Reserve Bank, published in Fast Facts in August 1999, showed that in 1997 (the latest year for which official figures were available) foreign investment in South Africa exceeded South African investments abroad, but that foreign direct investment in South Africa was lower than foreign direct investment by South Africans overseas. Moreover, foreign direct investment in South Africa had increased by 195% in nominal terms between 1991 and 1997, while South African direct investment overseas had grown by 203% over the same period.

The tables below show foreign liabilities (foreign investment) in South Africa from 1991 to 1997, as well as the primary sources of this investment.

***Foreign liabilities: 1991-97***

*1991 Rbn*

1992 Rbn

1993 Rbn

1994 Rbn

1995 Rbn

1996 Rbn

1997 Rbn

Direct investment

28.00

32.55

36.33

44.70

54.76

61.98

82.46

Non-direct investment

73.05

92.31



113.13

140.24

173.61

221.07

255.19

**Total**

101.05

124.86

149.46

184.94

228.37

283.05

337.65

Direct investment as a proportion of total

27.7%

26.1%

24.3%

24.2%

24.0%

22.0%

24.4%

Increase (direct investment)

—

16.2%

11.6%

23.0%

22.5%

13.2%

33.1%

Increase (direct investment) 1991–97

—

—

—

—

—

—

194.5%

*Source:* South African Reserve Bank

The tables below show South Africa's foreign assets (foreign investment by South Africans), as well as where these investments have b

***Foreign liabilities of South Africa: 31st December 1997***

*Country*

Direct investment (Rbn)

Non-direct investment (Rbn)

Total (Rbn)

Proportion of world total

Direct as proportion of area total

**United Kingdom**

37.37

79.90

117.27

34.7%

31.9%

**Germany**

10.39

20.37

30.76

9.1%

33.8%

**France**

1.84

10.38

12.22

3.6%

15.1%

Rest of Europe

12.16

38.62

50.78

15.0%

23.9%

**United States**

12.39

62.91

75.30

22.3%

16.5%

Rest of North and South America

1.30

1.70

3.01

0.9%

43.4%

**Africa**

0.91

10.80

11.71

3.5%

7.8%

Japan

1.07

11.67

12.74

3.8%

8.4%

**Rest of Asia and Oceania**

4.90

4.03

8.92

2.6%

54.9%

International organisations

0.13

14.81

14.94

4.4%

0.9%

**Total**

82.46

255.19

337.65

100.0%

24.4%

*Source:* South African Re

***Foreign assets: 1991–97***

1991 Rbn

1992 Rbn

1993 Rbn

1994 Rbn

1995 Rbn

1996 Rbn

1997 Rbn

Direct investment

44.17

54.33

61.02

67.70

84.99

114.01

133.77

Non-direct investment

19.95

24.54

26.44

29.96

38.63

50.13

99.18

**Total**

64.12

78.87

87.46

97.66

123.62

164.14

232.95

Direct investment as a proportion of total

68.9%

68.9%

69.8%

69.3%

68.7%

69.5%

57.4%

Increase (direct investment)

—

23.0%

12.3%

10.9%

25.5%

34.1%

17.3%

Increase (direct investment) 1991–97



—  
—  
—  
—  
—  
—

202.9%

*Source:* South African Reserve

***Foreign assets of South Africa: 31st December 1997***

*Country*

Direct investment (Rbn)

Non-direct investment (Rbn)

Total (Rbn)

Proportion of world total

Direct as proportion of area total

United Kingdom

52.19

12.54

64.73

27.8%

80.6%

Rest of Europe

67.59

18.95

86.54

37.1%

78.1%

United States

3.45

43.35

46.80

20.1%

7.4%

Rest of North and South America

2.06

0.87

2.93

1.3%

70.2%

Africa

6.15

3.21

9.36

4.0%

65.7%

Asia (including Japan)

0.93

4.86

5.79

2.5%

16.1%

Oceania

1.40

0.84

2.25

1.0%

62.5%

International organisations

0.01

14.56

14.57

6.3%

0.1%

**Total**

133.77

99.18

232.95

100.0%

57.4%

*Source:* South African Rese

## **Balance of Payments**

*Current account deficit 1998: R11.6bn*

*Current account deficit (as a proportion of GDP) 1998: 1.6%*

*Gear target 1998: 2.2%*

*Forecast range 1999: R4.2bn–R5.7bn*

*Gear projection (as proportion of GDP) 1999: 2.5%*

In 1997 the current account deficit was R10.4bn; it increased to R11.6bn in 1998. As a proportion of gross domestic product, the deficit on the current account increased from 1.5% in 1997 to 1.6% in 1998.<sup>91</sup> [<sup>91</sup> SARB, *Quarterly Bulletin*, June 1999] According to the 1999 *Budget Review*, deteriorating trade conditions resulted in fewer exports, while the increase in investment by public corporations led to strong import growth. The weaker export performance was attributed to smaller global demand and lower commodity prices. Exports were expected to increase from 1999 onwards as South African companies began to take advantage of the weakening currency and the recovery in international trade.<sup>92</sup> [<sup>92</sup> Department of Finance, *Budget Review 1999*, p38]

Already in the first quarter of 1999 there was a surplus of R6.2bn on the current account of the balance of payments (annualised and seasonally adjusted). This improvement was a result of a decline in the value of imported merchandise goods and a concomitant increase in the value of merchandise exports.<sup>93</sup> [<sup>93</sup> SARB, *Quarterly Bulletin*, June 1999, p12]

Net capital inflow in 1998 was only R9.1bn, a decline of 53.6% compared with 1997, when it was R19.6bn. Total net inflow of long-term capital in 1998 amounted to R25.2bn, less than in 1997 (R30bn). However, during 1998 there was a persistent net outflow of short-term capital, amounting to R16.1bn for the year as a whole. In 1997 short-term capital outflows were R10.4bn.<sup>94</sup> [<sup>94</sup> Ibid, March 1999, p15]

South Africa's net international reserves increased by R10.9bn in 1997; they declined by R4.4bn in 1998. Measured in US dollars, the country's gross gold and foreign exchange reserves declined from \$7.3bn at the end of 1997 to \$7.1bn at the end of 1998. At the end of 1998 aggregate import cover was estimated at about 10.5 weeks' worth of imports of goods and services—largely unchanged from 1997.<sup>95</sup> [<sup>95</sup> Ibid, p17] Import cover improved to about 12.5 weeks at the end of March 1999 as a result of South Africa's positive balance on transactions with the rest of the world.<sup>96</sup> [<sup>96</sup> Ibid, June 1999, pp15–16] In July 1999 the ratio of reserves to imports was 2.9 to one, against 2.3 to one a year before that. (It is widely regarded as prudent for central banks to have sufficient foreign exchange reserves to pay for three months of imports.)

Total foreign debt as at the end of 1998 was US\$38.8bn, compared with \$39.2bn in 1997.<sup>97</sup> [<sup>97</sup> Ibid, pS-100]

## The Exchange Rate

*Depreciation of rand against dollar (31/12/1997–31/12/1998): 16.98%*

*Depreciation of rand against basket (\$, £, DM, ¥) (31/12/1997–31/12/1998): 19.52%*

The external value of the rand dropped from an average of 21.7 American cents in 1997 to 18 cents in 1998—a depreciation of 17%.<sup>98</sup> [<sup>98</sup> Ibid, March 1999, pS-104] The rand reached a record daily average low on 28th August 1998, when the dollar was worth R6.67 (or 15 American cents to the rand).<sup>99</sup> [<sup>99</sup> Information provided by the SARB, 14 April 1999]

From the end of 1997 to the end of 1998 the rand depreciated by 27.4% against the yen, 22.2% against the German mark, and 17.2% against the pound. Over the same period the nominal effective exchange rate declined by 19.5%.<sup>100</sup> [<sup>100</sup> SARB, *Quarterly Bulletin*, March 1999, p18] The real depreciation reflected the global flight of capital from emerging markets, coupled with lower commodity prices.<sup>101</sup> [<sup>101</sup> Department of Finance, *Budget Review 1999*, pp33–34]

The graph below shows the value of the commercial rand against the American dollar from 1970 to 1998.

The following table shows the value of the rand in American cents from 1970 to 1998, as calculated by the Bureau for Economic Research at the University of Stellenbosch, and thereafter the index of the real average effective exchange rate as calculated by the reserve bank:<sup>102</sup> [<sup>102</sup> 1997/98 Survey, p416; SARB, *Quarterly Bulletin*, June 1999, pS-105]

***The exchange rate: 1970–98***

*Year*

Value of commercial rand in US dollars

Increase (decrease)

Index of real effective exchange rate<sup>a</sup> (*average*)

Increase (decrease)

1970

1.40

N/A

93.57

N/A

**1971**

1.40

0.0%

94.91

1.4%

1972

1.29

(7.9%)

89.11

(6.1%)

**1973**

1.44

11.6%

98.56

10.6%

1974

1.47

2.1%

99.46

0.9%

**1975**

1.35

(8.2%)

101.14

1.7%

1976

1.15

(14.8%)

99.57

(1.6%)

**1977**

1.15

0.0%

104.23

4.7%

1978

1.15

0.0%

101.78

(2.4%)

**1979**

1.19

3.5%

107.27

5.4%

1980



1.28

7.6%

118.75

10.7%

**1981**

1.14

(10.9%)

120.27

1.3%

1982

0.92

(19.3%)

112.83

(6.2%)

**1983**

0.90

(2.2%)

124.32

10.2%

1984

0.68

(24.4%)

105.93

(14.8%)

**1985**

0.45

(33.8%)

82.02

(22.6%)

1986

0.44

(2.2%)

85.58

4.3%

**1987**

0.49

11.4%

99.84

16.7%

1988

0.44

(10.2%)

95.78

(4.1%)

**1989**

0.38

(13.6%)

95.39

(0.4%)

1990

0.39

2.6%

100.00

4.8%

**1991**

0.36

(7.7%)

102.99

3.0%

1992

0.35

(2.8%)

104.83

1.8%

**1993**

0.31

(11.4%)

100.19

(4.4%)

1994

0.28

(9.7%)

97.15

(3.0%)

**1995**

0.28

0.0%

97.39

0.2%

1996

0.23

(17.9%)

89.34

(8.3%)

**1997**

0.22

(4.3%)

90.08

0.8%

1998

0.18

(18.2%)

79.47

(11.8%)

*Source:* Bureau for Economic Research, University of Stellenbosch

a

## Trade

Total merchandise exports in 1998 amounted to R156.2bn, an increase of 8.9% on 1997, while merchandise imports amounted to R146.8bn, an increase of 13.3%.<sup>103</sup> [<sup>103</sup> Bureau for Economic Research (BER), University of Stellenbosch, *Trends*, vol 22 no 1, April 1999] The volume of non-gold exports increased by 2.2% in 1998 compared with 1997.<sup>104</sup> [<sup>104</sup> SARB, *Quarterly Bulletin*, March 1999, pS-87] (These figures, and those in the table below, refer to the Southern African Customs Union (SACU), which includes Botswana, Lesotho, South Africa, and Swaziland.)

The graph below illustrates the growth in the value of exports and imports from 1980 to 1998.

The table below shows the value of total exports and imports (excluding 'invisible' exports and imports) and the annual change from 1980 to 1998.<sup>105</sup> [<sup>105</sup> BER, *Trends*, vol 22 no 1, April 1999]

***South African trade: 1980-98<sup>a</sup>***

Exports

Imports

Year

Rbn

Increase (decrease)

Rbn

Increase (decrease)

1980

19.80

35.3%

14.36

46.4%

**1981**

18.03

(8.9%)

18.44

28.4%

1982

19.19

6.4%

18.37

(0.4%)

**1983**

20.62

7.5%

16.20

(11.8%)

1984

25.32

22.8%

21.64

33.5%

**1985**

36.24

43.1%

22.69

4.9%

1986

42.16

16.3%

26.85

18.3%

**1987**

43.23

2.5%

28.67

6.8%

1988

49.43

14.3%

39.43

37.5%

**1989**

58.78

18.9%

44.45

12.7%

1990



60.93

3.7%

44.13

(0.7%)

**1991**

64.36

5.7%

48.21

9.3%

1992

68.04

5.7%

52.49

8.9%

**1993**

78.50

15.4%

59.72

13.8%

1994

88.81

13.1%

76.26

27.7%

**1995**

101.50

14.3%

98.51

29.2%

1996

125.73

23.9%

115.52

17.3%

**1997**

143.44

14.1%

129.62

12.2%

1998

156.18

8.9%

146.81

13.3%

Source: Bureau for Economic Research, University of Stellenbosch

a

Southern Af

In 1998, 48% of South Africa's imports were from Europe, 29% from Asia, 18% from the Americas, just under 3% from Oceania, and 2.5% from Africa. Some 31% of South Africa's exports went to Europe, 17% to Asia, 14% to Africa, 10% to the Americas, and 1% to Oceania. (The remainder were unclassified items.)<sup>106</sup> [<sup>106</sup> Preliminary statement of trade statistics for the Republic of South Africa as released by the Commissioner for the South African Revenue Service, fax communication, 3 May 1999] The table below shows South Africa's top ten trading partners in 1998 and compares their ranking with 1997.<sup>107</sup> [<sup>107</sup> South African Institute of International Affairs, *South African Yearbook of International Affairs 1999/2000*, 1999, p441]

***South Africa's top ten trading partners: 1998<sup>a</sup>***

Position

*Imports from South Africa (Rbn)*

SA exports (Rbn)

Total trade (Rbn)

Country

1998

1997

United States

2

19.6

14.9

34.5

**Germany**

2

3

20.8

9.1

29.9

**United Kingdom**

3

1

14.4

10.9

25.3

**Japan**

4

4

11.2

9.9

21.1

**China/Hong Kong**

5

5

8.0

3.9

11.9

**Netherlands**

6

7

3.8

6.2

9.9

**Italy**

7

6

5.8

4.0

9.8

**France**

8

12

6.3

2.9

9.2

**Belgium**

9

14

2.5

4.4

6.9

**Taiwan**

10

9

3.7

3.0

6.7

*Source:* South African Institute of International Affairs

a

Refers only to South Africa, not to SACU.

During 1998 South Africa's exports to other member countries of the Southern African Development Community (SADC) (excluding Botswana, Lesotho, Namibia, and Swaziland) increased by 1.9%, while imports fell by 10.3%. South Africa's trade surplus with the rest of the SADC region widened in 1998 to R13.3bn, compared with R12.8bn in 1997. South Africa's depressed trade with the region was partly the result of steep falls in commodity prices in 1998, higher interest rates because of financial market instability and currency depreciations, sociopolitical turmoil in Zimbabwe, and military conflict in Angola and the Democratic Republic of Congo. SADC countries who were not members of SACU accounted for 10% of South Africa's exports, but supplied only 1.4% of it

## Gold

*Average gold price 1998: US\$294.14; R1 622.92*

*Year-to-date average gold price (2/1/1999–26/10/99) \$276.33*

The average London gold price dropped by 11% from an average of US\$331 an ounce in 1997, to \$294 in 1998. In nominal South African rands the gold price increased by 6.5%, owing to the depreciation of the rand against the US dollar.<sup>109</sup> [<sup>109</sup> SARB, *Quarterly Bulletin*, March 1999, pS-105] On 28th August 1998 the gold price per ounce dropped to \$273.40—the lowest since 30th May 1979, when it was fixed at \$272.60.<sup>110</sup> [<sup>110</sup> *The Citizen* 29 August 1998]

In May 1999 the Bank of England announced its intention to sell off 25 tonnes of gold as part of a plan to convert holdings of 415 tonnes into currency. In July, when the sale went ahead, the gold price dropped to about US\$258 an ounce—a 20-year low.<sup>111</sup> [<sup>111</sup> *Financial Mail* 16 July 1999; *BBC News*, 'African gold loses its shine', 9 July 1999; <http://news2.thb.bbc.co.uk/hi/english/world/africa/newsid%5F390000/390317.stm>, 9 July 1999] At a gold price of \$258 an ounce, about 40% of South Africa's gold production was marginal, according to the Chamber of Mines of South Africa. Some 81 700 jobs were under threat at 11 of the country's 16 major gold mines. If the price dropped a further \$30 an ounce, the chamber calculated, three more mines would become marginal and would threaten a further 103 300 jobs.<sup>112</sup> [<sup>112</sup> *Financial Mail* 16 July 1999]

In 1998 South African gold mines produced some 464 tonnes of gold, the lowest annual output since 1955, when the mines yielded 454 tonnes, according to the Chamber of Mines of South Africa. In 1996 the mines had produced 494 tonnes, and in 1997, 493. Gold production in South Africa reached an all-time peak in 1970 (1 000 tonnes having been produced), but thereafter began a general decline.<sup>113</sup> [<sup>113</sup> *Business Report*, *The Citizen* 23 February 1999; information supplied by the Chamber of Mines of South Africa, 15 September 1999]

The graph below shows the average London gold price in rands and US dollars from 1946 to 1998.

The table below shows the average London gold price from 1946 to 1998.

*Average London gold price: 1946–98*

*Year*

Price in American dollars

Price in South African rands

1946

34.71

17.23

**1947**

34.71

17.23

1948

34.71

17.23

**1949**

31.70

17.51

1950

34.72

24.80

**1951**



34.72

24.80

1952

34.60

24.71

**1953**

34.84

24.89

1954

35.04

25.03

**1955**

35.03

25.02

1956

34.99

24.99

**1957**

34.95

24.96

1958

35.10

25.07

**1959**

35.09

25.06

1960

35.17

25.12

**1961**

35.14

25.10

1962

35.20

25.14

**1963**

35.08

25.06

1964

35.08

25.06

**1965**

35.13

25.09

1966

35.17

25.12

**1967**

35.19

25.13

1968

38.40

27.64

**1969**

41.10

29.36

1970

35.94

25.67

**1971**

40.79

29.27

1972

58.14

45.07

**1973**

97.24

67.04

1974

159.19

108.31

**1975**

161.06

118.06

1976

124.83

108.55

**1977**

147.71

128.44

1978

193.26

168.05

**1979**

306.99

257.71

1980

613.07

476.80

**1981**

459.68

400.24

1982

375.79

408.91

**1983**

424.31

471.66

1984

360.45

526.76

**1985**

317.29

710.63

1986

367.59

840.38

**1987**

446.60

908.81

1988

437.09

991.58

**1989**

381.54

998.89

1990

383.58

991.88

**1991**

362.19

999.53

1992

343.72

979.98

**1993**

359.70

1 176.73

1994

384.05

1 363.43

**1995**

384.17

1 393.48

1996

387.71

1 664.02

**1997**

331.11

1 523.48

1998

294.14

1 622.92

Source: South Afr

Figures produced by *Finance Week* and based on reserve bank statistics, show that gold exports as a proportion of total exports declined from 51% in 1980 to 16.7% in 1998.

The table below, as compiled by *Finance Week*, shows the respective values of gold, non-gold, and total exports in US dollars at the average annual \$/R exchange rate for each of the years selected.<sup>114</sup> [<sup>114</sup> *Finance Week* 18 June 1999]

***Gold and non-gold exports: selected years***

Non-gold exports (\$bn)

Gold exports (\$bn)

Total exports (\$bn)

Gold exports as a proportion of the total

1979

11.63

7.14

18.79

38.0%

**1980**

12.53

13.00

25.53

51.0%



1981

10.81

9.48

20.29

46.7%

**1983**

9.12

8.91

18.03

49.4%

1984

8.63

7.91

16.54

47.8%

**1986**

10.67

7.33

18.00

40.7%

1988

13.78

8.64

22.42

38.5%

**1990**

16.51

7.02

23.53

29.8%

1992

17.19

6.80

23.98

28.9%

**1994**

18.30

6.67

24.97

26.7%

1996

23.00

6.12

29.12

21.0%

**1997**

24.78

5.60

30.38

18.4%

1998

23.64

4.68

28.02

16.7%

*Source:*

## **Competitiveness**

South Africa's world competitiveness ranking in 1999 remained the same as in 1998, 42nd out of 47 countries, according to the *World Competitiveness Yearbook* of the Institute for Management Development (IMD) in Switzerland. (The *World Competitiveness Yearbook* is compiled annually by the IMD using some 288 criteria, which are subsequently grouped into eight 'input factors', for the 47 countries reviewed. The criteria cover both 'hard data', such as statistical information from regional and international institutions, and 'soft data', in the form of an opinion survey of executives in the countries. These data are then used to calculate rankings for the various countries.)

The following table compares South Africa's ranking with a selected range of countries from 1993 to 1999:115 [<sup>115</sup> World Competitiveness On-Line, The World Competitiveness Scoreboard, 13 April 1999]

***World competitiveness rankings of selected countries: 1993–99***

*Country*

1993

1994

1995

1996

1997

1998

1999

United States

1

1

1

1

1

1

1

**Singapore**

3

2

2

2

2

2

2

**Netherlands**

8

8

8

7

6

4

5

**Canada**

17

20

13

12

10

10

10

**Australia**

20

16

16

21

18

15

12

**United Kingdom**

16

14

15

19

11

12

15

**Japan**

2

3

4

4

9

18

16

**New Zealand**

18

10

9

11

13

13

20

**Chile**

19

24

20

13

24

26

25

**Malaysia**

14

18

23

23

17

20

27

**China**

—

34

31

26

27

24

29

**Italy**

27

28



29

28

34

30

30

**Philippines**

35

37

36

31

31

32

32

**Thailand**

26

26

27

30

29

39

34

**Brazil**

44

43

38

37

33

37

35

**South Africa**

43

42

43

44

44

42

42

*Source:* World Competitiveness On-Line, The World Competitiveness Scoreboard

In 1999 South Africa was behind countries such as the Philippines and the People's Republic of China in terms of competitiveness. While Brazil was ranked 44th in 1993, by 1999 its competitiveness had improved to 35th.

The table below shows how South Africa ranked on each of the eight input factors used to determine

overall competitiveness, for the period

***South Africa's ranking on eight input factors: 1994-99***

*Input factor*

1994

1995

1996

1997

1998

1999

Domestic economy

42

42

44

42

40

35

Finance

26

27

31

36

31

32

## Government

38

35

37

34

31

32

## Infrastructure

37

30

32

33

35

34

## Internationalisation<sup>a</sup>

35

38

39

46

45

42

## Management

35

38

40

37

38

35

## People

46

46

46

46

46

47

## Science and technology

28

31

34

40

39

44

*Source:* National Productivity Institute

a

Internationalisation comprised the following: current account balance; exports and imports of goods and services; exchange rate; portfolio and foreign direct investment; national protectionism; and o

Since 1994 South Africa has gained only in three areas: the domestic economy (seven places higher in 1999 than in 1994); government (six places higher); and infrastructure (three places higher). In science and technology South Africa fell 16 places in the same period. Its management ranking remained the same.<sup>117</sup> [<sup>117</sup> *Financial Mail* 30 April 1999]

In another competitiveness survey, published in July 1999 by the World Economic Forum and the Harvard Institute for International Development, South Africa was placed 47th out of 59 countries. Global executives regarded South Africa as one of the five least secure countries surveyed. The country was placed last in terms of labour practices such as firing and hiring workers, labour relations, work ethic, and labour regulations. South Africa had a competitive advantage in the quality of its port infrastructure, stock market access, and financial market sophistication. Disadvantages included adequacy of schooling years, personal safety, and quality of scientists and engineers.<sup>118</sup> [<sup>118</sup> *Business Day* 14 July 1999]

According to *Productivity Statistics 1998*, South Africa's relatively high inflation rate remained a 'stumbling block' for its competitiveness. While the country's inflation rate was 8.6% in 1996–97, Sweden's was only 0.5%, followed by France's 1.2%, Japan's 1.7%, Germany's 1.8%, the US's 2.3%, and the UK's 3.1%.<sup>119</sup> [<sup>119</sup> 'South Africa's Productivity Story Not all Bad News', <http://www.npi.co.za/news/prody.html>, 3 April 1999]

## **BUDGETS AND FISCAL POLICY**

### **Medium-Term Expenditure Framework**

The 1999/2000 budget was the second in which the government published a three-year spending plan for consideration by Parliament. The forward estimates set out in the budget would provide the initial

guideline allocations within which government departments would prepare the following year's budget estimates.

## Consolidated National and Provincial Government Spending

Consolidated national and provincial government expenditure was expected to increase from R207bn in 1998/99 to R250bn in 2001/02. The table below shows consolidated national and provincial spending from 1998/99 to 2001/02.<sup>120</sup> [120 Department of Finance, *Budget Review 1999*, pp16, 130]

### *Consolidated national and provincial spending: 1989/99–2001/02*

*Preliminary*

—————

Medium-term estimates

—————

*1989/99*

1999/2000

2000/01

2001/02

Total spending (Rbn)

207.0

219.6

233.7

250.3

**As a proportion of GDP<sup>a</sup>**

31.7%

31.0%

30.5%

30.2%

Increase on previous budget

3.5%

6.1%

6.4%

7.1%

**Less debt service costs (Rbn)**

43.8

48.5

50.1

52.8

Total non-interest spending (Rbn)

163.2

170.0

180.1

189.6

**As proportion of GDP<sup>a</sup>**

25.0%



24.0%

23.5%

22.9%

**Increase on the previous budget**

1.9%

4.2%

6.0%

5.2%

**GDP (Rbn)**

654.0

708.4

766.9

828.7

*National spending<sup>b</sup> (Rbn)*

70.1

73.1

78.0

82.7

**Increase on previous budget**

7.6%

4.3%

6.6%

6.0%

*Provincial spending<sup>b</sup> (Rbn)*

94.0

96.8

102.1

106.9

**Increase on previous budget**

(0.9%)

3.1%

5.5%

4.6%

*Source:* Department of Finance

a

Reflects the respective figures as a proportion of estimated GDP prior to the revision of South Africa's national accounts in 1999.

b

Excluding debt service costs.

Consolidated expenditure was projected to grow at an average of 6.5% a year over the 1998/99 to 2001/02 period. Slower future growth in spending reflected the generally improved inflation outlook in the economy, according to the 1999 *Budget Review*.<sup>121</sup> [<sup>121</sup> Ibid, p131]

The consolidated national and provincial budgets for 1999/2000 provided for expenditure of R219.6bn, an increase of 6% on the revised estimated expenditure for 1998/99. The table below shows the consolidated national and provincial budgets, functionally classified for 1998/99, 1999/2000, and the provisional medium-term classifications for 2000/01

***Functional breakdown of consolidated budgets: 1998/99–2001/02<sup>a</sup>***

1998/99 Rbn

1999/2000 Rbn

2000/01 Rbn

2001/02 Rbn

Average annual increase 1998/99– 2000/01

Protection services

Defence and intelligence

11.64

12.01

12.07

12.55

2.5%

Police

14.44

15.28

15.97

16.61

4.8%

**Prisons**

5.57

5.38

6.20

6.60

5.8%

**Justice**

2.63

2.82

2.99

3.16

6.3%

**Subtotal**

34.28

35.49

37.22

38.92

4.3%

*Social services*

### Education

46.35

48.53

51.56

54.09

5.3%

### Health

23.22

24.04

26.34

28.32

6.8%

### Welfare

19.26

19.82

20.72

21.61

3.9%

### Housing and community development

8.53

9.86

9.93

9.93

5.2%

Other social services

1.45

1.47

1.64

1.70

5.4%

**Subtotal**

98.81

103.71

110.19

115.65

5.4%

*Economic services*

Water schemes and related services

2.52

2.40

2.89

3.05

6.5%

Fuel and energy

0.05

0.04

0.05

0.06

6.1%

Agriculture, forestry, and fishing

3.46

3.56

3.34

3.66

1.9%

Mining, manufacturing, and construction

1.56

1.51

1.66

1.68

2.4%

Transport and communication

8.27

8.15

8.88

9.12

3.3%

Other economic services

3.47

3.21

3.48

3.95

4.5%

**Subtotal**

19.33

18.88

20.29

21.51

3.6%

*General administration*

10.76

11.90



12.42

13.48

7.8%

*Interest*

43.81

48.52

50.07

52.79

6.4%

*Reserve*

–

1.10

3.50

8.00

–

**Total**

207.00

219.60

233.69

250.35

6.5%

*Source:* Department of Finance

a

Figures should add up but may not, owing to rounding.

The table below provides a breakdown of the 1998/99 to 2001/02 national and provincial budgets according to functional classification as a proportion of the to

***Functional classification of consolidated budgets as a proportion of total budget: 1998/99–2001/02***

1998/99

1999/2000

2000/01

2001/02

Protection services

Defence

5.6%

5.5%

5.2%

5.0%

Police

7.0%

7.0%

6.8%

6.6%

**Prisons**

2.7%

2.5%

2.7%

2.6%

**Justice**

1.3%

1.3%

1.3%

1.3%

**Subtotal**

16.6%

16.2%

15.9%

15.5%

*Social services*

**Education**

22.4%

22.1%

22.1%

21.6%

Health

11.2%

10.9%

11.3%

11.3%

Social security and welfare

9.3%

9.0%

8.9%

8.6%

Housing and community development

4.1%

4.5%

4.2%

4.0%

Other social services

0.7%

0.7%

0.7%

0.7%

**Subtotal**

47.7%

47.2%

47.2%

46.2%

*Economic services*

**Water schemes and related services**

1.2%

1.1%

1.2%

1.2%

**Fuel and energy**

0.0%

0.0%

0.0%

0.0%

**Agriculture, forestry, and fishing**

1.7%

1.6%

1.4%

1.5%

Mining, manufacturing, and construction

0.8%

0.7%

0.7%

0.7%

Transport and communication

4.0%

3.7%

3.8%

3.6%

Other economic services

1.7%

1.5%

1.5%

1.6%

**Subtotal**

9.3%

8.6%

8.7%

8.6%

*General government services and unallocable expenditure*

5.2%

5.4%

5.3%

5.4%

*Interest*

21.2%

22.1%

21.4%

21.1%

*Reserve*

0.0%

0.5%

1.5%

3.2%

**Total**

100.0%

100.0%

100.0%

100.0%

*Source:* Department of Finance

The two pie charts below provide a functional breakdown of the 1999/2000 and 2001/02 (projected) consolidated national

The table below gives a breakdown of the 1998/99 to 2001/02 consolidated national and provincial budgets according to functional classifications as a proportion of gross domestic product (GDP).<sup>124</sup> [124 Ibid]

***Functional classification of consolidated budgets as a proportion of GDP: 1998/99–2001/02<sup>a</sup>***

1998/99

1999/2000

2000/01

2001/02

Protection services

Defence

1.8%

1.7%

1.6%

1.5%

Police

2.2%



2.2%

2.1%

2.0%

**Prisons**

0.9%

0.8%

0.8%

0.8%

**Justice**

0.4%

0.4%

0.4%

0.4%

**Subtotal**

5.2%

5.0%

4.9%

4.7%

*Social services*

**Education**

7.1%

6.9%

6.7%

6.5%

Health

3.6%

3.4%

3.4%

3.4%

Social security and welfare

2.9%

2.8%

2.7%

2.6%

Housing and community development

1.3%

1.4%

1.3%

1.2%

Other social services

0.2%

0.2%

0.2%

0.2%

**Subtotal**

15.1%

14.6%

14.4%

14.0%

*Economic services*

Water schemes and related services

0.4%

0.3%

0.4%

0.4%

Fuel and energy

0.0%

—

0.0%

0.0%

Agriculture, forestry, and fishing

0.5%

0.5%

0.4%

0.4%

Mining, manufacturing, and construction

0.2%

0.2%

0.2%

0.2%

Transport and communication

1.3%

1.2%

1.2%

1.1%

Other economic services

0.5%

0.5%

0.5%

0.5%

**Subtotal**

3.0%

2.7%

2.6%

2.6%

*General government services and unallocable expenditure*

1.6%

1.7%

1.6%

1.6%

*Interest*

6.7%

6.8%

6.5%

6.4%

*Reserve*

0.0%

0.2%

0.5%

1.0%

**Total**

31.7%

31.0%

30.5%

30.2%

*Source:* Department of Finance

a

Proportions calculated on estimates of GDP prior to the revision of South Africa's na

## Deficit

Because of the revision of GDP data by Statistics South Africa (Stats SA) (see *Growth* above), the actual budget deficit for the 1998/99 financial year was some R24.3bn or 2.9% of GDP—significantly lower than the 3.7% expected, and below the final estimate of 3.3%.<sup>125</sup> [<sup>125</sup> *Business Day* 22 June 1999]

In 1999/2000 the deficit was expected to be R25.1bn (3.6% of pre-revision GDP), in 2000/2001, some R23.4bn (3.1% of GDP), and in 2001/02, some R25.0bn (3.0% of GDP).<sup>126</sup> [<sup>126</sup> *Ibid*, p58; fax communication from the SARB, 7 September 1999] These figures were subsequently revised (see table below).

The table and graph below show the actual budget deficit from 1969/70 to 1997/98, and estimates for the years 1998/99 to 2002/03.<sup>127</sup> [<sup>127</sup> Fax communication from the SARB, 7 September 1999]

### ***Budget deficit: 1969/70–2002/03***

*Year*

Proportion of GDP<sup>a</sup>

1969/70

3.0%

**1970/71**

3.3%

1971/72

5.5%

**1972/73**

3.9%

1973/74

1.9%

**1974/75**

2.8%

1975/76

4.7%

**1976/77**

6.1%

1977/78

5.5%

**1978/79**

4.4%

1979/80

3.1%

**1980/81**

0.1%

1981/82

2.1%

**1982/83**

2.2%

1983/84

3.2%

**1984/85**

3.3%

1985/86

2.4%

**1986/87**

4.4%

1987/88

5.0%

**1988/89**

3.5%

1989/90

1.4%

**1990/91**

1.9%

1991/92

3.7%



**1992/93**

7.3%

1993/94

5.6%

**1994/95**

4.6%

1995/96

5.1%

**1996/97**

5.0%

1997/98

3.7%

**1998/99**

2.9%

1999/2000<sup>b</sup>

2.8%

**2000/01<sup>b</sup>**

2.7%

2001/02<sup>b</sup>

2.5%

**2002/03**

2.4%

*Source:* Department of Finance; South African Reserve Bank

a

Reflects the deficits of the respective years as a proportion of estimated GDP after the revision of South Africa's national accounts in 1999, according to the South African Reserve Bank.

b

Medium-term budget p

## **Public Debt**

Total government debt was expected to be some R377.4bn at the end of the 1998/99 financial year—an increase of some R41.2bn on the previous year.<sup>128</sup> [<sup>128</sup> Department of Finance, *Budget Review 1999*, pp79, 219] Following the revision of GDP data by Stats SA in June 1999 the debt-to-GDP ratio in 1998/99 dropped from 55.6% to 47.4%.<sup>129</sup> [<sup>129</sup> *Business Day* 30 June 1999]

The sharp depreciation of the rand and higher than anticipated interest rates (see also *Interest rates and monetary policy* above) resulted in state debt service costs of R43.4bn in 1998/99, R888m more than budgeted. In 1999/2000 the cost of servicing state debt was expected to amount to R48.2bn.<sup>130</sup> [<sup>130</sup> Department of Finance, *Budget Review 1999*, p75] Forward estimates of the costs of servicing state debt for 2000/01 and 2001/02 were R49.8bn and R52.6bn respectively.<sup>131</sup> [<sup>131</sup> *Ibid*, pp205, 217] In 1975/76 debt servicing was only 4% of spending, but it had mushroomed to 8.5% by the 1980s. By the 1990s debt servicing costs were above 14% of total spending.<sup>132</sup> [<sup>132</sup> *Financial Mail* 23 October 1998]

The table below shows total government debt (domestic and foreign) and as a proportion of revised GDP from 1970 to 1998, and projections from 1999 to 2002.<sup>133</sup> [<sup>133</sup> Department of Finance, *Budget Review 1999*, pp216–219; *Budget Review 1998*, ppB.29–B.30]

### ***Total debt of government: 1970–2002<sup>a</sup>***

*Year*

Total debt Rbn

*Domestic debt as a proportion of total*

*Foreign debt as a proportion of total*

*As a proportion of GDP<sup>b</sup>*

Domestic debt

Foreign debt

Total debt

1970

5.213

97.6%

2.4%

42.6%

1.1%

43.6%

**1971**

5.453

95.4%

4.5%

39.8%

1.9%

41.7%

1972

6.211

92.7%

6.6%

39.5%

2.8%

42.7%

**1973**

7.152

92.8%

6.9%

40.0%

3.0%

43.1%

1974

7.761

94.9%

5.1%

35.2%

1.9%

37.1%

**1975**

8.472

93.8%

6.2%

31.7%

2.1%

33.8%

1976

10.263

90.2%

9.8%

33.0%

3.6%

36.5%

**1977**

12.094

88.9%

11.1%

34.0%

4.3%

38.3%

1978

14.251

91.3%

8.7%

37.0%

3.5%

40.5%

**1979**

16.295

95.0%

5.0%

37.4%

2.0%

39.4%

1980

18.151

96.0%

4.0%

34.4%

1.4%

35.9%

**1981**

19.853

96.8%

3.2%

29.4%

1.0%

30.4%

1982

22.113

94.2%

5.1%

27.9%

1.5%

29.6%

**1983**

26.421

92.0%

4.7%

28.5%

1.4%

30.9%

1984

30.173

93.1%

4.8%

28.7%

1.5%

30.8%

**1985**

37.072

88.6%

5.9%

28.7%

1.9%

32.4%

1986

41.425

89.8%

5.5%



28.3%

1.8%

31.6%

**1987**

50.314

88.2%

4.9%

28.5%

1.6%

32.3%

1988

60.056

91.7%

4.1%

30.3%

1.3%

33.0%

**1989**

79.895

83.2%

2.8%

30.3%

1.0%

36.4%

1990

96.036

83.1%

2.2%

30.6%

0.8%

36.9%

**1991**

105.656

88.5%

1.7%

31.2%

0.6%

35.3%

1992

126.615

87.8%

2.3%

32.3%

0.9%

36.8%

**1993**

154.665

92.7%

1.5%

37.5%

0.6%

40.5%

1994

192.160

96.2%

2.7%

41.8%

1.2%

43.5%

**1995**

244.295

94.7%

3.6%

43.9%

1.8%

49.1%

1996

279.487

96.1%

3.9%

46.1%

1.9%

49.6%

**1997**

310.408

95.6%

3.7%

46.4%

1.8%

49.3%

1998

336.181

95.6%

4.3%

45.9%

2.1%

48.3%

**1999**

377.405

92.2%

4.2%

46.0%

2.2%

50.3%

2000<sup>c</sup>

386.804

95.5%

4.5%

52.1%

2.5%

54.6%

**2001<sup>c</sup>**

413.908

94.6%

5.4%

51.0%

2.9%

53.9%

**2002<sup>c</sup>**

438.908

93.3%

6.7%

49.4%

3.5%

53.0%

*Source:* Department of Finance; South African Reserve Bank

a

Central government debt excluding extra-budgetary institutions (such as libraries, museums, parks boards, research councils, technikons, universities, the National Road Fund, and Legal Aid Board) and social security funds (such as the Unemployment Insurance Fund). Figures prior to 1994/95 exclude the converted debt of the former homelands and are therefore not comparable with the ones thereafter.

b

As calculated by the South African Reserve Bank using GDP estimates from after the revision of South Africa's national

The graph below shows total government debt as a proportion of GDP in the period 1970–2002.

As a result of the revisions in the calculation of GDP by Stats SA in June 1999, the debt-to-GDP ratio for 1997/98 was expected to be 48%, down from 55.4% on the previous data, according to the director general of finance, Ms Maria Ramos.<sup>134</sup> [<sup>134</sup> *Business Day* 22 June 1999]

During the period under review, there were calls for the government to cancel or restructure its debt, particularly its foreign debt, on the assumption that much of this had been incurred by the previous government, and was therefore ‘odious’ debt. Proponents of this view, namely Jubilee 2000, whose patron was the Most Rev Njongonkulu Ndungane, Archbishop of Cape Town, believed that the cancellation or restructuring of the country’s foreign debt would make more resources available for the alleviation of poverty and the provision of social services. The Department of Finance argued that South Africa’s foreign debt was fairly small (4.3% of total debt in 1997/98), and that most of it had been incurred since 1994. Writing off domestic debt—some 94% of which was held by pension and insurance funds—would have a negative effect on the economy, as it would make it difficult for insurance companies to honour their obligations to policyholders, and harm South Africa’s ability to borrow money in future, according to the deputy minister of finance, Ms Gill Marcus.<sup>135</sup> [<sup>135</sup> *Sowetan* 24 June 1998] In August 1999 Ms Ramos said that the government would not cancel its current national and international debt, amounting to R373bn.<sup>136</sup> [<sup>136</sup> *Business Day* 5 August 1999]

## The Budget and the Poor

The 1999/2000 budget embodied the ‘goals and operational strategies of the reconstruction and development programme’, the minister of finance, Mr Trevor Manuel, said in his 1999 budget speech.<sup>137</sup> [<sup>137</sup> Minister of finance, Mr Trevor Manuel, budget speech, 17 February 1999, pp4, 9] Mr Manuel said that ‘in line with our priorities’ some R103.7bn had been budgeted for spending on social services. This was equivalent to some 47% of total expenditure. He added that the government had also made provision for R1bn of targeted poverty relief and infrastructural employment programmes. This amount would increase to some R1.2bn in 2000/01 and R1.5bn in 2001/02. These allocations were expected to include the following:<sup>138</sup> [<sup>138</sup> *Ibid*, pp7, 16–19]

- the ‘working for water’ programme of the Department of Water Affairs and Forestry (there were some 900 projects providing 40 000 jobs);
- development welfare projects co-ordinated by the Department of Welfare;
- the community-based public works programme of the Department of Public Works;
- nutrition and health-related projects of the Department of Health (some 5m children from poor

communities were receiving nutrition in primary schools);

- investment in rural infrastructure by the Department of Agriculture;
- support for the skills development strategy; and
- various initiatives arising out of the 1998 ‘jobs summit’ (see also chapter on *Employment*).

Mr Manuel added that expenditure on welfare services and social grants had increased by over 30% in the last three years. Expenditure on welfare services and social grants amounted to some R19.8bn in 1999. It would increase to R20.7bn in 2000 and R21.6bn in 2001.<sup>139</sup> [<sup>139</sup> Ibid, p14]

Some R3bn was ‘linked directly to job creation programmes’. In the latter part of 1999, once the demutualisation of Sanlam and Old Mutual was completed, the Umsobomvu Fund (which Mr Manuel had announced in March 1998 as an instrument for alleviating poverty and unemployment, see 1997/98 Survey, p438) would be capitalised with some R1bn. This would then be invested in training and development for young people (see also *Taxation* below).<sup>140</sup> [<sup>140</sup> Ibid]

## Taxation

The tax proposals announced by the minister of finance in February 1999 included the following:<sup>141</sup> [<sup>141</sup> Department of Finance, *Budget Review 1999*, pp141, 153]

- an increase in the primary rebate from R3 515 to R3 710;
- an increase in the rebate in respect of individuals 65 years of age and older from R2 660 to R2 775;
- the restructuring of tax brackets so that the marginal rate applicable to taxpayers with taxable income up to R70 000 is reduced; and
- a reduction in the company tax rate from 35% to 30%.

The changes associated with personal income tax would cost the government an estimated R4.85bn in lost revenue in 1999/2000. According to the 1999 *Budget Review*, a total of R10.5bn in tax relief had been conferred on individual taxpayers since 1995 as a result of government’s restructuring of tax rates and brackets.<sup>142</sup> [<sup>142</sup> Ibid, pp153–154]

Mr Dawie Roodt, chief economist of Equiseq, calculated in November 1998 that families with annual gross incomes of R300 000 got back goods and services worth only about nine cents for every rand they



paid in taxes. For those with incomes of R60 000, the return on the tax rand was about 89 cents. Those earning less than R19 000 a year, however, received on average almost R2 for each R1 of tax.<sup>143</sup> [<sup>143</sup> *Finance Week* 13 November 1998]

The reduction in the company tax rate was in line with the ‘challenge of globalisation’, according to the 1999 *Budget Review*. South Africa would, thus, become significantly more attractive to both domestic and foreign investors. The international trend in recent years was to reduce the rate at which company profits were taxed to a range of between 30% and 38%. South Africa’s combined tax rate (including secondary tax on companies) was 42.2%. The proposed reduction in the standard rate would bring the combined tax rate to 37.8%. The table below compares the company tax rates of a number of countries.<sup>144</sup> [<sup>144</sup> Department of Finance, *Budget Review 1999*, pp155–156]

***International comparative analysis of company tax rates: 1998***

*Country*

Company tax rate

Argentina

33%

**Australia**

36%

Botswana

15%

**Brazil**

33%

Canada

38%

**Côte d’Ivoire**

35%

Egypt

42%

**Germany**

45%

Japan

37.5%

**Namibia**

35%

Nigeria

30%

**Singapore**

26%

Thailand

30%

**Uganda**

30%

United Kingdom

31%

**South Africa (current)<sup>a</sup>**

42.2%

(proposed)<sup>b</sup>

37.8%

*Source:* Department of Finance

a

Before the reduction in company tax rate and including the secondary tax rate on companies (12.5%).

b

Including the secondary tax rate on

Although South Africa's tax-to-GDP ratio was lower than that of countries belonging to the Organisation for Economic Co-operation and Development (OECD), social security contributions were excluded from the South African data. The 1999 *Budget Review* said that one should be cautious when comparing tax ratios of countries at substantially different stages of development. When comparing South Africa's ratio with that of other developing countries it was marginally above the average.<sup>145</sup> [<sup>145</sup> Ibid, p166] In 1998/99 the tax-to-GDP ratio was 24.5%.<sup>146</sup> [<sup>146</sup> *Business Day* 30 June 1999]

The tax ratio was still not at a level conducive to a sustainable longer-term economic growth rate as envisaged in the *Growth, Employment and Redistribution (Gear)* policy, according to the outgoing director general of the South African Chamber of Business, Mr Raymond Parsons.<sup>147</sup> [<sup>147</sup> *The Citizen* 16 March 1999]

Since it became autonomous in 1997, the South African Revenue Service (SARS) has focused on strategies to improve tax collection. The SARS also aimed to broaden the tax base by registering persons, businesses, and employers and reducing the rate of non-compliance with tax legislation. The improved deficit in 1998/99, from the expected 3.7% to 3.3% (prior to the revision of GDP), was largely the result of higher-than-expected revenue collection.<sup>148</sup> [<sup>148</sup> *Sunday Times Business Times* 16 May 1999]

The graph and table that follow show company and personal income tax as a proportion of GDP from 1976 to 1999.<sup>149</sup> [<sup>149</sup> Information provided by Boland Bank, 12 August 1999]

### ***Income tax as a proportion of GDP: 1976–99***

*Year*

Company tax as a proportion of GDP

## Personal tax as a proportion of GDP

1976

5.3%

5.1%

**1977**

5.1%

5.7%

1978

4.9%

5.7%

**1979**

3.9%

5.2%

1980

3.7%

4.2%

**1981**

3.8%

3.5%

1982

4.3%

4.6%

**1983**

4.4%

5.5%

1984

3.5%

6.1%

**1985**

3.4%

7.1%

1986

3.8%

7.2%

**1987**

3.4%

7.0%

1988

3.4%

7.3%

**1989**

3.9%

7.1%

1990

4.4%

8.0%

**1991**

4.2%

8.5%

1992

3.9%

9.4%

**1993**

3.5%

9.7%

1994

2.8%

9.6%

**1995**

3.0%

10.1%

1996

3.1%

10.3%

**1997**

3.5%

10.4%

1998<sup>a</sup>

3.3%

11.0%

**1999<sup>a</sup>**

3.4%

10.7%

*Source:* Boland B

There were some 5.8m people liable for tax in the 1998 tax year. Taxpayers in the income category of R100 000 and above constituted 9.8% of liable taxpayers but contributed 46% of total revenue from income tax. Those earning between R50 000 and R100 000 (27% of taxpayers) contributed 38.6%, and those earning between R0 and R50 000 (63% of taxpayers) contributed 15.3%. The table and graph below show the estimated number of taxpayers by income group and the proportion of tax paid by income group in the 1997 and 1998 tax years.<sup>150</sup> [<sup>150</sup> Department of Finance, *Budget Review 1999*, p168]

***Taxpayers and what they pay: 1997 and 1998***

*Income group (R)*

Liable number of income taxpayers

Proportion of total

Tax paid (Rm)

Proportion of total tax paid in 1998

Proportion of total tax paid in 1997

0–10 000

0

0.0%

0

0.0%

0.0%

**10 001–20 000**

560 558

9.6%

169.1

0.2%

0.4%

20 001–30 000

1 161 926

20.0%

1 716.1

2.5%



2.7%

**30 001–40 000**

1 185 324

20.4%

3 610.1

5.3%

5.5%

40 001–50 000

774 749

13.3%

5 010.0

7.3%

7.7%

**50 001–60 000**

587 464

10.1%

6 422.0

9.4%

9.7%

60 001–70 000

365 551

6.3%

5 581.1

8.2%

8.2%

**70 001–80 000**

256 402

4.4%

5 012.0

7.3%

7.3%

80 001–90 000

190 723

3.3%

4 572.6

6.7%

6.6%

**90 001–100 000**

168 966

2.9%

4 797.2

7.0%

6.9%

100 001–150 000

387 584

6.7%

15 363.7

22.5%

21.8%

**150 001–200 000**

109 431

1.9%

6 819.6

10.0%

9.7%

200 000+

72 843

1.3%

9 259.3

13.5%

13.3%

## Total

5 821 521

100.0%

68 342.4

100.0%

100.0%

*Source:* Departme

## Levies and User Charges

During the period under review various departments and agencies made further proposals on additional taxes, levies, or surcharges (see also 1997/98 Survey, pp443–444). In its 1999 *Budget Review* the government stated that such proposals could mean an increase in the overall tax burden, and therefore had to be accommodated within the overall tax burden imposed on the economy. Unlike user charges, which are a direct payment for a benefit received and therefore a ‘sound form of financing’, levies were taxes and could only be recommended where the cost was borne by the targeted group benefiting from the service to be financed, and where the agency so funded was accountable through its governing body to the industry or constituency which bore the share.<sup>151</sup> [<sup>151</sup> Ibid, p166]

The Department of Finance was building up a database of levies and receipts so as to put in place appropriate mechanisms to evaluate levy proposals and maintain oversight of their use, particularly as levies were dedicated taxes that increased the tax burden. Furthermore, the department would seek a ‘principled’ approach to levy financing based on, among other things, the following:<sup>152</sup> [<sup>152</sup> Ibid]

- levies should be included in the budget for the sake of transparency, accountability, and fiscal integrity;
- levy funding should be accompanied by a reciprocal reduction in the budgetary allocation to the department involved; and
- control over levy funding should rest with the minister of finance.

## Provincial Surcharge

The government remained ‘cautious’ in respect of extending taxation powers to provinces. Research on

provincial revenue was being undertaken at the request of the Budget Council, and this research would help to determine appropriate methods of improving the collection of current provincial own-revenue. It would be used also to draft legislation to regulate provincial revenue sources.<sup>153</sup> [<sup>153</sup> Ibid, pp254–256; 1997/98 Survey, p442]

## Provincial Finances

The information in this section is drawn primarily from two sources: the 1999 *Budget Review* and the *Intergovernmental Fiscal Review 1999*. The latter was the first of its kind, and sought to examine the issues facing provincial government. It is referred to at some length below.

## Revenue

The table below shows total provincial revenue from 1995/96 to 2001/02.<sup>154</sup> [<sup>154</sup> Department of Finance, *Intergovernmental Fiscal Review 1999*, September 1999, p3.2]

### *Total provincial revenue: 1995/96–2001/02*

*Actual*

Estimated actual 1998/99 Rbn

Medium-term estimate

1995/96 Rbn

1996/97 Rbn

1997/98 Rbn

1999/2000 Rbn

2000/01 Rbn

2001/02 Rbn

Transfers from national budget<sup>a</sup>

72.9

84.7

86.0

91.8

94.3

99.4

104.0

*Of which: conditional grants<sup>a</sup>*

—

—

—

10.3

8.0

7.4

7.1

Own revenue

4.3

4.1

3.5

3.4

3.5

3.9

4.2

**Total provincial revenue<sup>b</sup>**

77.2

88.8

89.4

95.2

97.8

103.3

108.2

*Source:* Department of Finance

a

Refers to amounts shown in provincial budgets, and thus excludes agency payments and certain conditional grants not yet allocated by province.

b

Figures should add up but may not, owing to rounding.

Provincial own revenue accounted for a very small proportion of total provincial revenue, as provinces did not have the power to levy taxes, and other own revenue sources were limited (confined primarily to such things as fees for motor vehicle and gambling licences). Transfers from central government were expected to comprise over 96% of provincial revenue in 1999/2000. Certain policy initiatives, such as the implementation of provincial gambling laws, would possibly have a positive impact on provincial own revenue, but transfers from the national government were expected to remain the dominant source of provincial revenue for the foreseeable future.<sup>155</sup> [<sup>155</sup> Ibid, pp3.4–3.5]

The table below gives a breakdown of the total transfers from the central government to the provinces,

including both the 'equitable share' (see below) and conditional grants from 1998/99 to 2001/0

***Central government's transfers to the provinces: 1998/99–2001/02<sup>a</sup>***

*Province*

1998/99<sup>b</sup> Rbn

1999/2000 Rbn

2000/01 Rbn

2001/02 Rbn

**Eastern Cape**

15.5

15.0

16.6

17.2

**Free State**

6.2

6.5

6.8

7.0

**Gauteng**

14.5

15.3

16.3



17.3

**KwaZulu-Natal**

18.2

18.7

19.9

20.9

**Mpumalanga**

5.7

6.1

6.5

6.9

**North West**

7.5

7.8

8.1

8.4

**Northern Cape**

2.1

2.2

2.3

2.4

**Northern Province**

11.5

12.0

12.7

13.3

**Western Cape**

9.8

10.0

10.3

10.6

**Unallocated**

0.6

0.6

1.0

1.1

**All**

91.6

95.1

100.4

105.1

*Source:* Department of Finance

a

Figures should add up but may not, owing to rounding.

b

1998/99 transfers have been adjusted to reflect the decrease in pension co

### **Revenue Formula**

In 1997/98 an ‘equitable share’ formula for the funding of provinces was introduced. This formula sought to distribute block grants to the provinces in a manner which took account of specific needs and conditions in each province (see 1997/98 Survey, p446).<sup>157</sup> [<sup>157</sup> Ibid, p93] The ‘equitable share’ formula is in accordance with the 1996 constitution, which stipulates that revenue raised by the national government must be divided equitably between the three spheres of government, that is, national government, provincial government, and local government. It also requires allocations to the provinces to take into account the developmental needs of the provinces, and ‘economic disparities within and among’ them.<sup>158</sup> [<sup>158</sup> Section 214, Constitution of the Republic of South Africa of 1996]

The formula is based on the following components:<sup>159</sup> [<sup>159</sup> Department of Finance, *Budget Review 1999*, pp98–99]

- an education share, which is calculated on the size of the school-age population (ages 6–17) and the number of pupils at ordinary schools;
- a health share, which is based on the differential use of the public health system by people with and without medical aids;
- a social security component, which is based on the population for whom social security payments are intended;
- a backlog component, which reflects the capital needs of the provinces, for example, in respect of education and health facilities;
- an economic output share, which is based on the distribution of total employee remuneration across the country; and
- an institutional component, which is divided equally among the provinces.

Equitable provincial shares would be phased in over five years to avoid undue dislocation in provincial budgets. Therefore, the target equitable shares would be reached in 2003/04. The table below shows the impact of the equitable share formula.<sup>160</sup> [<sup>160</sup> Ibid, pp100–101]

***Impact of equitable share formula: 1998/99 and 2003/04<sup>a</sup>***

*Province*

Proportion of population (1996)

Budget share 1998/99

Target share 2003/04

Change in target share 1998/99–2003/04

Eastern Cape

15.5%

17.8%

16.8%

(5.5%)

Free State

6.5%

6.9%

6.6%

(3.6%)

Gauteng

18.1%

14.8%

15.7%

6.4%

### KwaZulu-Natal

20.7%

19.6%

20.7%

5.6%

### Mpumalanga

6.9%

6.6%

7.1%

8.2%

### North West

8.3%

8.6%

8.2%

(4.6%)

### Northern Cape

2.1%

2.5%

2.4%

(2.0%)

**Northern Province**

12.1%

13.2%

13.5%

1.9%

**Western Cape**

9.7%

10.1%

8.9%

(11.4%)

**All provinces**

100.0%

100.0%

100.0%

—

*Source:* Department of Finance

a

Shares include improvements in conditions of service, but exclude other conditional grants. Figures should add

up vertically but may not, owing to rounding.

The provincial allocations set out in the medium-term expenditure framework of the 1998/99 budget have subsequently been revised for 1999/2000 and 2000/01, partly as a result of slower economic growth, and the difference between the preliminary and final census results.<sup>161</sup> [<sup>161</sup> Ibid, pp100–102]

The 1999 *Budget Review* noted that the equitable share formula would result in some provinces—such as Gauteng and the Western Cape—receiving a smaller per capita share of the funds allocated than other provinces, such as the Northern Cape and the Northern Province. This was because in terms of the formula a bigger share would be allocated to provinces with higher proportions of children of schoolgoing age, and higher proportions of people without medical aid.<sup>162</sup> [<sup>162</sup> Ibid, p102]

Conditional grants are transfers to provinces from the national share of revenue to ensure that national priorities are adequately provided for in the provincial budgets; to compensate provinces for services that may extend across provincial boundaries; to support compliance with national norms and standards; and to fund provinces for undertaking specific functions on behalf of the central government. These grants were introduced for the first time in 1998/99. In 1999/2000 conditional grants would amount to some R8.1bn. The largest grants were made from the Department of Health, followed by the Department of Finance. In 2000/01 conditional grants to the provinces would amount to some R8.4bn, and in 2001/02 t

## Surpluses and Deficits

During 1997/98 all nine provinces ran significant deficits, totalling R5.9bn. In early 1998 the central government intervened in two provinces to cover over-expenditure and reached agreement on a range of financial management reforms (see 1997/98 Survey, p444). In 1998/99 the provinces made progress in bringing their expenditure in line with available resources, according to the 1999 *Budget Review*. The combined budgets of the provinces were projected to be in surplus at the end of 1998/99. This turnaround could be attributed in large part to measures introduced by the departments of finance and state expenditure to improve both budgeting and financial management. Furthermore, several provinces launched anti-fraud units or investigations.

The table below shows the total provincial surpluses and deficits from 1995/96 to 2001/02.<sup>164</sup> [<sup>164</sup> Department of Finance, *Intergovernmental Fiscal Review 1999*, September 1999, p3.2]

### ***Total provincial surplus and deficit: 1995/96–2001/02***

---

Actual

---

Estimated actual 1998/99 Rbn

Medium-term estimate

1995/96 Rbn

1996/97 Rbn

1997/98 Rbn

1999/2000 Rbn

2000/01 Rbn

2001/02 Rbn

Surplus (deficit)

1.2

(3.0)

(5.8)

1.1

0.2

0.6

0.8

*Source:* Department of Finance

The surpluses and deficits of the individual provinces for 1997/98 and 1998/99 are set out in the table below.

***Provincial surpluses (deficits): 1997/98 and 1998/99***



*Province*

1997/98 Rm

1998/99 Rm

Eastern Cape

(886)

837

Free State

(726)

(177)

Gauteng

(528)

(88)

KwaZulu-Natal

(1 216)

287

Mpumalanga

(618)

(110)

North West

(321)

186

Northern Cape

(151)

(112)

Northern Province

(731)

130

Western Cape

(618)

172

**Total<sup>a</sup>**

(5 831)

1 128

*Source:* Department of Finance

a

Figures should add up but may not, owing t

## **Spending**

The table below sets out total provincial spending from 1995/96 to 2001/02.<sup>166</sup> [<sup>166</sup> Ibid, p3.2]

***Total provincial spending: 1995/96–2001/02***

## Actual

---

Estimated actual 1998/99 Rbn

Medium-term estimate

1995/96 Rbn

1996/97 Rbn

1997/98 Rbn

1999/2000 Rbn

2000/01 Rbn

2001/02 Rbn

## Education

30.0

36.6

38.6

38.7

39.9

42.6

44.6

## Health

16.1

20.6

22.4

22.9

23.5

25.2

26.3

Welfare

14.4

15.9

17.7

18.3

18.5

19.5

20.3

*Other expenditure*

Local government grants

2.0

2.2

2.0

1.1

0.5

—

—

State debt service costs<sup>a</sup>

1.3

2.0

—

—

—

—

—

Finance reserve

—

—

—

—

2.4

1.6

1.5

All other expenditure

12.3

14.4

14.6

13.1

12.8

13.9

14.6

**Total provincial spending<sup>b</sup>**

76.0

91.8

95.2

94.1

97.6

102.7

107.4

*Source:* Department of Finance

a

Refers to interest on debts inherited by the provinces that were later assumed by the national government.

b

Figures should add up but may not, owing to

***Provincial Expenditure by Economic Classification***

The table below shows provincial expenditure by economic classification between 1995/96 and

2001/02.167 [<sup>167</sup> Ibid, p3.10]

***Adjusted provincial expenditure by economic classification: 1995/96–2001/02<sup>a</sup>***

---

Actual

---

Estimated actual 1998/99 Rbn

Medium-term estimate

1995/96 Rbn

1996/97 Rbn

1997/98 Rbn

1999/2000 Rbn

2000/01 Rbn

2001/02 Rbn

Current expenditure

69.1

82.9

88.5

89.0

90.8

96.6

101.4

Personnel

40.9

49.5

54.1

56.5

58.3

61.8

64.6

Transfer payments<sup>b</sup>

16.1

19.2

20.4

20.5

22.1

22.3

23.1

Other current<sup>c</sup>

12.1

14.3



13.9

12.1

10.4

12.5

13.8

*Capital expenditure*

3.6

4.6

4.8

3.9

3.9

4.5

4.4

**Total<sup>d</sup>**

72.8

87.6

93.2

92.9

94.7

101.1

105.9

*Source:* Department of Finance

a

Total provincial expenditure adjusted to exclude function shifts and finance reserves, so as to gauge expenditure trends over time more accurately. Function shifts are changes in responsibilities between the spheres of government, such that a change in expenditure does not imply a change in services provided. For example, provinces were liable for debts and interest costs inherited from the previous dispensation until this responsibility was assumed by the national government. From 1997/98, provincial budgets no longer reflected these costs.

b

Transfers to other levels of government, eg local government, to extra-budgetary organisations, and pension payments.

c

Includes items such as medicines and textbooks.

d

Figures should add up but may not, owing to

The table below shows provincial expenditure by economic classification as a proportion of total provincial expenditure between 1995/96 and 2001/02.<sup>168</sup> [<sup>168</sup> Ibid]

***Adjusted provincial expenditure by economic classification as a proportion of total provincial expenditure:  
1995/96–2001/02<sup>a</sup>***

---

Actual

---

Estimated actual 1998/99

Medium-term estimate

1995/96

1996/97

1997/98

1999/2000

2000/01

2001/02

**Current expenditure**

95.0%

94.7%

94.9%

95.8%

95.9%

95.5%

95.8%

**Personnel**

56.2%

56.5%

58.0%

60.8%

61.5%

61.1%

61.1%

Transfer payments

22.2%

21.9%

21.9%

22.0%

23.3%

22.1%

21.8%

Other current

16.6%

16.3%

14.9%

13.0%

11.1%

12.4%

13.0%

*Capital expenditure*

5.0%

5.3%

5.1%

4.2%

4.1%

4.5%

4.2%

**Total<sup>b</sup>**

100.0%

100.0%

100.0%

100.0%

100.0%

100.0%

100.0%

*Source:* Department of Finance

a

Total provincial expenditure adjusted to exclude function shifts and finance reserves, so as to gauge expenditure trends over time more accurately. Function shifts are changes in responsibilities between the spheres of government, such that a change in expenditure does not imply a change in services provided. For example, provinces were liable for debts and interest costs inherited from the previous dispensation until this responsibility was assumed by the national government. From 1997/98, provincial budgets no longer reflected these costs.

b

Figures should add up but may not, owing to rounding.

Most provincial expenditure was devoted to current expenditure. Spending on personnel has risen

progressively since 1995/96, especially in provinces which incorporated areas of the former homelands, where above-average pay increases were made to workers at lower levels of the civil service. The medium-term estimates predicted that personnel spending would stabilise at some 61% of expenditure by 2001/02.<sup>169</sup> [<sup>169</sup> *Business Day* 15 September 1999; Department of Finance, *Intergovernmental Fiscal Review 1999*, September 1999, p3.9]

Personnel expenditure as a proportion of the total is expected to rise by 8.7% between 1995/96 and 2002/02, while capital spending will dec

### *Social Services*

The table below shows the position occupied by social services in overall provincial spending.<sup>170</sup> [<sup>170</sup> Department of Finance, *Intergovernmental Fiscal Review 1999*, September 1999, p3.9]

#### *Spending on social services as a proportion of adjusted provincial expenditure: 1995/96–2001/02<sup>a</sup>*

---

Actual

---

Estimated actual 1998/99

Medium-term estimate

*1995/96*

1996/97

1997/98

1999/2000

2000/01

2001/02

Social services

83.1%

83.6%

84.3%

85.9%

86.4%

86.3%

86.2%

### Education

41.2%

41.8%

41.4%

41.6%

42.1%

42.1%

42.2%

### Health

22.1%

23.6%

24.0%

24.6%

24.8%

24.9%

24.8%

Welfare

19.8%

18.2%

18.9%

19.7%

19.5%

19.3%

19.2%

*Non-social services*

16.9%

16.4%

15.7%

14.1%

13.6%

13.7%

13.8%

**Total<sup>b</sup>**

100.0%



100.0%

100.0%

100.0%

100.0%

100.0%

100.0%

*Source:* Department of Finance

a

Total provincial expenditure adjusted to exclude function shifts and finance reserves, so as to gauge expenditure trends over time more accurately. Function shifts are changes in responsibilities between the spheres of government, such that a change in expenditure does not imply a change in services provided. For example, provinces were liable for debts and interest costs inherited from the previous dispensation until this responsibility was assumed by the national government. From 1997/98, provincial budgets no longer reflected these costs.

b

Figures should add up but may not, owing to rounding.

Expenditure on social programmes—education, health, and welfare—grew by an average of 9.7% a year between 1995/96 and 1998/99. This was above the rate of inflation, and more rapid than the increase in provincial expenditure as a whole. Non-social spending, such as programmes to promote tourism, had been progressively curtailed to provide for social se

### *Education*

The following table shows the contribution of education to provincial expenditure:<sup>172</sup> [172 Department of Finance, *Intergovernmental Fiscal Review 1999*, September 1999, p4.4]

### *Provincial education expenditure: 1995/96–2001/02*

Actual

---

Estimated actual 1998/99

Medium-term estimate

1995/96

1996/97

1997/98

1999/2000

2000/01

2001/02

Total education expenditure (Rbn)

30.0

36.6

38.6

38.7

39.9

42.6

44.6

As a proportion of total adjusted provincial expenditure

41.2%

41.8%

41.4%

41.6%

42.1%

42.1%

42.2%

*Source:* Department of Finance

There was a substantial increase in provincial expenditure on education between 1995/96 and 1998/99, with further increases projected for the period to 2001/02. The table below illustrates this trend (brackets denote a decrease).

***Changes in provincial expenditure on education: 1996/97–2001/02<sup>a</sup>***

1996/97

1997/98

1998/99

1999/2000

2000/2001

2001/02

Eastern Cape

36.9%

9.2%

(2.4%)

0.7%

11.2%

4.2%

Free State

23.5%

4.7%

2.9%

7.6%

6.5%

5.2%

Gauteng

13.1%

5.2%

3.1%

6.3%

4.8%

4.6%

KwaZulu-Natal

15.9%

7.2%

(1.4%)

4.6%

6.5%

5.6%

### Mpumalanga

23.0%

3.8%

4.7%

5.2%

8.8%

7.0%

### North West

20.8%

9.3%

(1.4%)

5.5%

6.0%

4.6%

### Northern Cape

13.3%

5.7%

3.4%

0.5%

7.9%

4.4%

**Northern Province**

28.5%

6.5%

1.3%

(0.7%)

6.2%

4.3%

**Western Cape**

20.1%

(6.0%)

(2.2%)

(0.5%)

4.2%

3.2%

**All provinces**

22.1%

5.4%

0.2%

3.1%

6.9%

4.7%

*Source:* Department of Finance

a

Proportional increase/(decrease) over the previous year.

Total expenditure by the provinces on education would increase from some R30bn in 1995/96 to some R44.6bn in 2001/02, an increase of 49%.

The *Intergovernmental Fiscal Review 1999* showed that personnel costs amounted to some 87% of provincial education expenditure in 1995/96; this had risen to an estimated 91% in 1998/99, and would drop marginally to some 89% in 2001/02. The increase in personnel costs arose from:<sup>174</sup> [<sup>174</sup> Ibid, p4.5]

- a consolidation of the various salary structures into a single structure in 1996/97, resulting in average salary increases of between 12% and 15% in that year; and
- the introduction of policy guidelines on the size of classes, which resulted in the employment of between 40 000 and 60 000 teachers across South Africa.

The increase in personnel expenditure necessitated a proportional reduction in non-personnel expenditure, curtailing projects such as the construction of new classrooms and the provision of textbooks.<sup>175</sup> [<sup>175</sup> Ibid, p4.6]

The report noted that, given the importance of education to South Africa's social and economic well-being, the government was taking steps to solve the problems facing the sector. The emphasis was shifting from 'increased funding to better expenditure'. It said that education was a good example of 'co-operative governance', where national and provincial governments would co-ordinate policies, and link budgeting and planning p

## *Health*

The following table shows trends in provincial health expenditure:<sup>177</sup> [<sup>177</sup> Ibid, p5.4]

***Trends in provincial health expenditure: 1995/96–2001/02***

Actual
Estimated actual 1998/99
Medium-term estimate
1995/96
1996/97
1997/98
1999/2000
2000/01
2001/02
Total provincial expenditure (Rbn)
16.1
20.6
22.4
22.9
23.5
25.2
26.3

As a proportion of total adjusted provincial expenditure



22.1%

23.6%

24.0%

24.6%

24.8%

24.9%

24.8%

*Source:* Department of Finance

There was a substantial increase in provincial expenditure on health between 1995/96 and 1998/99, with further increases projected for the period to 2001/02. The table below illustrates this trend (brackets denote a decrease)

***Changes in provincial expenditure on health: 1996/97–2001/02<sup>a</sup>***

1996/97

1997/98

1998/99

1999/2000

2000/2001

2001/02

Eastern Cape

39.0%

(0.9%)

(0.5%)

(2.5%)

9.7%

8.2%

Free State

24.3%

12.8%

1.7%

0.5%

5.8%

4.5%

Gauteng

19.0%

14.1%

3.3%

3.0%

3.4%

4.7%

KwaZulu-Natal

28.9%

13.5%

1.3%

3.1%

10.0%

2.0%

### Mpumalanga

51.0%

24.5%

4.1%

(2.9%)

9.6%

6.1%

### North West

36.7%

7.8%

(2.4%)

9.3%

5.9%

3.9%

### Northern Cape

20.2%

14.3%

2.2%

(2.9%)

5.8%

3.9%

**Northern Province**

41.9%

(7.7%)

7.5%

2.2%

8.3%

4.3%

**Western Cape**

18.5%

5.6%

3.1%

1.9%

5.6%

4.4%

**All provinces**

28.2%

8.4%

2.2%

2.8%

7.0%

4.5%

*Source:* Department of Finance

a

Proportional increase/(decrease) over the previous year.

Total expenditure by the provinces on health would rise from some R16bn in 1995/96 to some R26bn in 2001/02, an increase of 63%.<sup>179</sup> [<sup>179</sup> Ibid]

The report noted the following issues:<sup>180</sup> [<sup>180</sup> Ibid, p5.16]

- the prioritisation of primary health care placed pressure on hospitals' budgets. This was compounded by poor management of revenue collection; and
- after the 1996 wage negotiations, personnel costs in the health service increased substantially; there was also a shortage of skilled personnel coupled 'with supernumeraries at the lower end', especially in rural areas. There was a lack of management capacity (for example, in respect of data on personnel), and provincial health managers were constrained in their response to the situation, given the absence of an 'affordable retrenchment tool', and the central determina

## *Welfare*

The following table shows trends in provincial welfare expenditure:<sup>181</sup> [<sup>181</sup> Ibid, p6.2]

### *Trends in provincial welfare expenditure: 1995/96–2001/02*

Actual

Estimated actual 1998/99

Medium-term estimate

1995/96

1996/97

1997/98

1999/2000

2000/01

2001/02

Total provincial expenditure (Rbn)

14.4

15.9

17.7

18.3

18.5

19.5

20.3

As a proportion of total adjusted provincial expenditure

19.8%

18.2%

18.9%

19.7%

19.5%

19.3%

19.2%

*Source:* Department of Finance

Spending on welfare increased somewhat between 1995/96 and 1998/99, and was projected to increase further in the period to 2001/02. The table below shows the annual increase and decrease in welfare spending from 1996/97 to 2001/02 (brackets denote a decrease).

***Changes in provincial expenditure on welfare: 1996/97–2001/02<sup>a</sup>***

1996/97

1997/98

1998/99

1999/2000

2000/2001

2001/02

Eastern Cape

25.5%

5.8%

(0.6%)

(1.5%)

6.8%

3.2%

Free State

7.7%

16.3%

2.9%

5.8%

2.9%

2.1%

Gauteng

4.8%

9.7%

3.5%

3.5%

9.2%

5.0%

KwaZulu-Natal

10.6%

12.1%

6.5%

(4.3%)

2.7%



5.5%

### Mpumalanga

10.0%

20.3%

12.9%

(4.7%)

6.6%

6.4%

### North West

2.2%

7.0%

20.0%

7.7%

2.9%

3.9%

### Northern Cape

3.7%

19.2%

2.5%

(8.7%)

2.3%

1.7%

**Northern Province**

11.4%

12.3%

(2.7%)

8.8%

8.4%

7.6%

**Western Cape**

3.0%

10.6%

(0.7%)

0.2%

3.2%

1.9%

**All provinces**

10.7%

10.9%

3.5%

1.1%

5.3%

4.4%

*Source:* Department of Finance

a

Proportional increase/(decrease) over the previous year.

Those provinces which incorporated large areas of the former homelands saw the most rapid rise in welfare spending, particularly between 1995/96 and 1996/97. Welfare spending in the wealthier, more urbanised provinces (Gauteng and the Western Cape), rose more slowly. From 1998/99 to 2001/02 increases in welfare spending would

## Provincial Budgets

### Eastern Cape

*Total budget 1999/2000: R16.3bn, up 5.8% on 1998/99 budget*

The following table compares the 1998/99 and 1999/2000 budgets and includes the proposed budgets until 2001/02 in terms of the medium-term expenditure framework:<sup>183</sup> [183 Information provided by Mr Hennie Swanepoel, Department of Finance, 5 May 1999]

#### *Eastern Cape medium-term expenditure framework budget: 1998/99–2001/02*

1998/99 Rm<sup>a</sup>1999/2000 Rm<sup>b</sup>

Increase (decrease)

2000/01 Rm<sup>b</sup>2001/02 Rm<sup>b</sup>

Education

6 211.6

7 002.0

12.7%

7 374.8

7 683.6

**Health**

2 824.0

3 070.8

14.5%

3 234.7

3 500.0

**Welfare**

3 679.0

3 812.0

3.6%

3 929.8

4 055.9

**Premier**

142.9

95.5

(33.1%)

93.5

96.8

Legislature

28.1

47.5

68.8%

48.8

50.0

**Finance**

782.4

491.3

(37.2%)

403.1

249.0

Economic affairs, environment, and tourism

118.6

138.8

17.1%

154.6

167.2

**Corporate services**

—

0.0

—

0.0

0.0

**Service commission**

—

0.0

—

0.0

0.0

**Housing and local government**

351.6

294.8

(16.2%)

234.4

251.2

**Transport**

177.0

198.3

12.0%

224.7

245.2

**Public works**

606.2

580.4

(4.3%)

611.1

638.7

Agriculture and land affairs

362.3

405.4

11.9%

481.7

503.4

**Environment**

—

0.0

—

0.0

0.0

Sports, arts, and culture

132.0

166.4

26.1%

178.4

185.7

**Safety and security**

3.8

4.6

20.2%

5.3

5.7

Traditional affairs

0.0

0.0

—

0.0

0.0



**Total<sup>c</sup>**

15 419.5

16 307.7

5.8%

16 974.7

17 632.5

*Source:* Department of Finance

a

Amount voted.

b

Includes estimated improvements in conditions of service.

c

Figures should add up but may not, owing to rounding.

—

A dash indicates that no provision was made for this particula

**Free State**

*Total budget 1999/2000: R6.7bn, up 4.5% on 1998/99 budget*

The table below shows the allocations to the various budget votes in 1998/99 and 1999/2000, and includes proposed allocations up to 2001/02 as set out in the medium-term expenditure framework.<sup>184</sup>  
[<sup>184</sup> Ibid]

***Free State medium-term expenditure framework budget: 1998/99–2001/02***

1998/99 Rm<sup>a</sup>

1999/2000 Rm<sup>b</sup>

Increase (decrease)

2000/01 Rm<sup>b</sup>

2001/02 Rm<sup>b</sup>

Education

2 420.0

2 726.9

12.7%

2 798.5

2 850.2

**Health**

1 566.0

1 654.2

5.6%

1 697.6

1 728.9

Welfare

1 202.0

1 222.2

1.7%

1 254.0

1 277.1

**Premier**

69.1

46.8

(32.3%)

47.8

48.6

Legislature

22.9

36.6

59.9%

37.6

38.6

**Finance**

72.7

192.8

165.4%

197.2

197.3

**Service commission**

5.5

0.0<sup>c</sup>

(100.0%)

0.0<sup>c</sup>

0.0<sup>c</sup>

**Local government**

132.6

132.0

(0.5%)

78.6

80.0

**Public works**

653.0

442.5

(32.2%)

452.3

459.6

**Agriculture**

105.6

85.8

(18.7%)

87.8

89.1

Environment

58.3

43.0

(26.3%)

43.8

44.5

**Sport**

32.4

31.4

(3.1%)

31.7

32.2

Safety

17.2

48.0

179.1%

49.1

50.0

**RDP**

17.7

—

—

—

—

Improvements in conditions of service

0.0<sup>c</sup>

0.0<sup>c</sup>

—

0.0<sup>c</sup>

0.0<sup>c</sup>

**Total<sup>d</sup>**

6 375.0

6 662.3

4.5%

6 775.9

6 896.1

Source: Department of Finance

a

Amount voted.

b

Includes estimated improvements in conditions of service.

c

Amount too small to record.

d

Figures should add up but may not, owing to rounding.

—

A dash indicates that no provision was made for this particular

## **Gauteng**

*Total budget 1999/2000: R16.1bn, up 7% on 1998/99 budget*

The following table gives a breakdown of the allocations in 1998/99 and 1999/2000, as well as the proposed allocations in terms of the medium-term expenditure framework:<sup>185</sup> [185 Ibid]

### ***Gauteng medium-term expenditure framework budget:1998/99–2001/02***

1998/99 Rm<sup>a</sup>

1999/  
2000 Rm<sup>b</sup>

Increase (decrease)

2000/01 Rm<sup>b</sup>

2001/02 Rm<sup>b</sup>

## Education

5 828.0

6 423.5

10.2%

6 732.9

7 040.6

## Health

5 246.7

5 800.3

10.6%

5 997.4

6 278.7

## Welfare

2 332.6

2 447.9

4.9%

2 591.9

2 722.4

## Premier

109.4

108.7



(0.7%)

114.1

124.7

Legislature

53.1

71.4

34.5%

74.0

81.0

**Finance and economic affairs**

293.5

119.9

(59.1%)

86.8

94.0

Housing and land affairs

104.1

97.5

(6.4%)

106.3

115.2

**Development planning and local government**

91.9

59.8

(35.0%)

64.0

69.6

Transport and public works

831.2

823.7

(0.9%)

881.8

909.8

**Public safety and security**

21.9

18.2

(17.0%)

20.9

24.2

Agriculture, conservation, and environment

94.0

105.8

12.5%

95.9

104.3

**Sports, recreation, arts and culture**

55.0

52.8

(4.0%)

58.1

62.4

Service Commission

12.0

3.9

(67.8%)

4.1

4.3

**Total<sup>c</sup>**

15 073.4

16 133.1

7.0%

16 827.0

17 631.3

*Source:* Department of Finance

a

Amount voted.

b

Includes estimated improvements in conditions of service.

c

Figures should add up but may not, ow

## **Kwazulu-Natal**

*Total budget 1999/2000: R19.2bn, up 7.1% on 1998/99 budget*

The table below shows the 1998/99 and 1999/2000 budgets of KwaZulu-Natal as well as the proposed budgets for 2000/01 to 2001/02 in terms of the medium-term expenditure framework.<sup>186</sup> [<sup>186</sup> Ibid]

### ***KwaZulu-Natal medium-term expenditure framework budget: 1998/99–2001/02***

*1998/99 Rm<sup>a</sup>*

*1999/2000 Rm<sup>b</sup>*

Increase (decrease)

*2000/01 Rm<sup>b</sup>*

*2001/02 Rm<sup>b</sup>*

## **Education and culture**

6 869.0

7 188.4

4.6%

7 361.0

7 512.8

Health

4 464.0

4 893.9

9.6%

5 241.7

5 211.7

**Welfare**

3 986.0

3 797.3

0.1%

3 891.9

4 101.0

Premier

57.3

83.6

45.9%

96.2

103.1

**Legislature**

43.8

50.5

15.1%

51.8

54.3

**Finance**

530.1

1 038.4

95.9%

1 506.1

2 061.3

**Economic affairs and tourism**

83.5

108.1

29.5%

113.1

127.6

Service commission

6.7

1.0

(85.5%)

1.0

1.0

**Local government and housing**

801.7

452.5

(43.6%)

350.2

367.2

Transport

444.2

696.0

56.7%

856.7

902.3

**Works**

243.3

328.0

34.8%

387.3

404.8

Agriculture

243.7

337.5

38.5%

361.7

387.9

**Safety and security**

1.1

4.9

354.6%

5.7

5.9

Traditional and environmental affairs

163.0

218.6

34.2%

216.8



236.6

**RDP**

—

—

—

—

—

Royal household

—

12.2

—

13.1

13.2

**Total<sup>c</sup>**

17 937.2

19 210.9

7.1%

20 454.4

21 490.5

Source: Department of Finance

a

Amount voted.

b

Includes estimated improvements in conditions of service.

c

Figures should add up but may not, owing to rounding.

– A dash indicates that no provision was made for this particular

## **Mpumalanga**

*Total budget 1999/2000: R6.2bn, up 8% on 1998/99 budget*

The following table shows the allocations made to each of the budget votes in 1998/99 and 1999/2000 and the proposed allocations in terms of the medium-term expenditure framework for 2000/01 and 2001/02:<sup>187</sup> [<sup>187</sup> Ibid]

### ***Mpumalanga medium-term expenditure framework budget: 1998/99–2001/02***

1998/99 Rm<sup>a</sup>

1999/2000 Rm<sup>b</sup>

Increase (decrease)

2000/01 Rm<sup>b</sup>

2001/02 Rm<sup>b</sup>

## **Education**

2 561.9

2 760.1

7.7%

3 004.0

3 214.7

Health

937.7

1 090.9

16.3%

1 195.5

1 269.0

**Welfare**

1 090.7

1 063.1

(2.5%)

1 133.0

1 205.1

Premier

20.7

60.5

192.7%

60.0

64.7

**Legislature**

31.8

39.3

23.5%

39.4

39.5

**Finance**

89.8

200.4

123.1%

230.6

243.6

**Economic affairs and gaming**

31.1

28.7

(7.7%)

30.4

32.3

**Service commission**

104.2

—  
—  
—  
—  
**Local government, housing, and land affairs**

131.2

103.7

(20.9%)

106.6

108.7

**Works, roads, and transport**

463.9

579.9

25.0%

596.0

635.9

**Agriculture**

129.2

115.6

(10.5%)

126.8

134.9

Environment and tourism

96.1

105.1

9.2%

102.6

109.5

**Arts and culture**

31.8

34.6

8.7%

33.8

37.5

Safety and security

21.9

18.7

(14.7%)

25.6

26.4

**Total**

5 742.0

6 200.4

8.0%

6 684.3

7 121.9

*Source:* Department of Finance

a

Amount voted.

b

Includes estimated improvements in conditions of service.

c

Figures should add up but may not, owing to rounding.

– A dash indicates that no provision was made for this particular v

## **North West**

*Total budget 1999/2000: R8bn, up 5.9% on 1998/99 budget*

The table below shows the allocations made to each budget vote in 1998/99 and 1999/2000 and those proposed in 2000/01 and 2001/02.<sup>188</sup> [<sup>188</sup> Ibid]

*North West medium-term expenditure framework budget: 1998/99–2001/02*

1998/99 Rm<sup>a</sup>

1999/2000 Rm<sup>b</sup>

Increase (decrease)

2000/01 Rm<sup>b</sup>

2001/02 Rm<sup>b</sup>

**Education**

3 096.1

3 267.7

5.5%

3 335.7

3 375.1

Health

1 296.1

1 431.6

10.5%

1 473.2

1 488.3

**Welfare**

1 315.0

1 397.5

6.3%

1 436.1

1 489.7



Premier

78.6

75.8

(3.5%)

76.2

76.9

Legislature

29.7

29.3

(1.4%)

30.2

31.4

**Finance**

142.8

158.2

10.8%

178.3

179.4

Local government

348.4

240.8

(30.9%)

243.1

245.4

Transport

351.6

340.3

(3.2%)

345.4

348.5

**Works**

574.8

580.1

0.9%

594.0

596.1

Agriculture

190.1

192.6

1.3%

194.8

195.7

**Environment**

69.1

61.7

(10.7%)

63.1

63.9

**Culture**

79.7

74.9

(6.0%)

75.2

76.2

**Safety and security**

5.5

5.6

2.6%

6.1

6.1

**Improvements in conditions of service**

–

168.1

–

381.1

579.1

**Total<sup>c</sup>**

7 577.4

8 024.2

5.9%

8 432.4

8 751.9

*Source:* Department of Finance

a

Amount voted.

b

Includes estimated improvements in conditions of service.

c

Figures should add up but may not, owing to rounding.

– A dash indicates that no provision was made for this particular v

## **Northern Cape**

*Total budget 1999/2000: R2.3bn, up 5.4% on 1998/99 budget*

The following table provides a breakdown of allocations in 1998/99 and 1999/2000 as well as the proposed allocations in terms of the medium-term expenditure framework:<sup>189</sup> [<sup>189</sup> Ibid]

***Northern Cape medium-term expenditure framework budget: 1998/99–2001/02***

1998/99 Rm<sup>a</sup>

1999/2000 Rm<sup>b</sup>

Increase (decrease)

2000/01 Rm<sup>b</sup>

2001/02 Rm<sup>b</sup>

Education and culture

830.8

863.8

4.0%

901.6

913.3

**Health**

357.7

368.8

3.1%

380.6

386.8

**Welfare**

573.6

607.1

5.8%

619.4

628.2

**Premier**

38.1

39.1

2.5%

40.6

41.2

**Legislature**

17.5

20.4

16.7%

21.2

22.5

**Finance**

18.9

24.1

28.0%

32.0

40.4

Economic affairs, and trade and industry

12.0

12.1

0.6%

12.6

12.8

**Service commission**

1.7

1.7

(0.2%)

1.8

1.8

Housing and local government

46.5

41.8

(10.1%)

43.5

44.0

**Transport, roads, and traffic control**

130.5

131.9

1.1%

137.4

139.3

Works

29.4

29.6

0.8%

30.8

31.2

**Agriculture**

48.4

48.2

(0.5%)

50.2

50.9

**Nature and environmental conservation**



8.8

9.0

2.6%

9.3

9.4

**Recreation, sport, and youth affairs**

4.0

4.1

1.9%

4.2

4.3

**Safety and security**

3.0

3.0

2.7%

3.2

3.2

**RDP**

16.0

46.9

193.3%

51.0

72.0

Improvement in conditions of service

0.0<sup>c</sup>

0.0<sup>c</sup>

—

0.0<sup>c</sup>

0.0<sup>c</sup>

**Total<sup>d</sup>**

2 136.8

2 251.6

5.4%

2 339.6

2 401.4

Source: Department of Finance

a

Amount voted.

b

Includes estimated improvements in conditions of service.

c

Amount too small to record.

d

Figures should add up but may not, owing to rounding.

– A dash indicates that no provision was made for this particular

## **Northern Province**

*Total budget 1999/2000: R12.3bn, up 8.6% on 1998/99 budget*

The table below shows the 1998/99 and 1999/2000 budgets of the Northern Province as well as the proposed budgets for 2000/01 and 2001/02 in terms of the medium-term expenditure framework.<sup>190</sup> [190  
Ibid]

### *Northern Province medium-term expenditure framework budget: 1998/99–2001/02*

1998/99 Rm<sup>a</sup>

1999/2000 Rm<sup>b</sup>

Increase (decrease)

2000/01 Rm<sup>b</sup>

2001/02 Rm<sup>b</sup>

## **Education**

5 611.9

5 529.2

(1.5%)

5 631.6

5 653.0

**Health**

1 870.9

2 000.4

6.9%

2 106.3

2 104.9

**Welfare**

1 819.0

2 132.7

17.2%

2 309.1

2 483.9

**Premier**

90.0

85.5

(5.1%)

82.6

83.1

**Legislature**

21.2

26.0

22.9%

26.8%

26.9

Finance

114.9

527.8

359.2%

552.2%

585

**Economic affairs**

—

0.0

—

0.0

0.0

Corporate services

—

0.0

—

0.0

0.0

**Service commission**

—

0.0

—

0.0

0.0

Housing

14.3

19.0

32.4%

19.7

19.8

**Local government**

250.4

200.2

(20.1%)

94.1

97.3

Transport

215.2

193.5

(10.1%)

196.5

197.9

**Public works**

699.7

669.1

(4.4%)

669.7

712.3

Agriculture

516.2

534.0

3.4%

537.2

542.3

**Environment and tourism**

—

**0.0**

—

**0.0**

0.0

Culture

—

0.0

—

0.0

0.0

**Sport**

—

**0.0**

—

**0.0**

0.0

Safety

4.5

5.1

13.8%

5.2



5.3

**Traditional affairs**

—

**0.0**

—

**0.0**

0.0

Improvement in conditions of service

—

301.9

—

684.2

1 039.8

**Trade, industry and tourism**

94.7

71.0

(25.0%)

74.8

79.4

RDP

-

0.0

–

0.0

0.0

**Total<sup>c</sup>**

11 323.0

12 295.3

8.6%

12 990.1

13 667.0

*Source:* Department of finance

a

Amount voted.

b

Includes estimated improvements in conditions of service.

c

Amount too small to record.

d

Figures should add up but may not, owing to rounding.

– A dash indicates that no provision was made for this part

## Western Cape

*Total budget 1999/2000: R10.2bn, up 1.4% on 1998/99 budget*

The following table shows the allocations made to each of the votes in 1998/99 and 1999/2000 and the proposed allocations in terms of the medium-term expenditure framework for 2000/01 and 2001/02:<sup>191</sup>  
[<sup>191</sup> Ibid]

### *Western Cape medium-term expenditure framework budget: 1998/99–2001/02*

1998/99 Rm<sup>a</sup>

1999/2000 Rm<sup>b</sup>

Increase (decrease)

2000/01 Rm<sup>b</sup>

2001/02 Rm<sup>b</sup>

Education

3 634.1

3 809.7

4.8%

3 969.5

4 097.6

**Health**

2 911.5

3 086.2

6.0%

3 259.9

3 402.0

Social services

2 242.3

2 200.6

(1.9%)

2 270.2

2 313.2

**Premier**

12.7

13.6

7.3%

16.3

18.1

Legislature

12.6

12.7

0.8%

13.8

14.4

**Business promotion and property management**

144.5

144.0

(0.4%)

146.3

158.5

Planning, local government, and housing

115.8

92.7

(19.9%)

96.3

100.2

**Finance**

229.8

137.9

40.0%

147.9

160.9

Community safety

8.2

10.6

29.5%

11.5

12.2

**Corporate services**

49.0

55.1

12.3%

56.4

58.1

Agriculture

69.1

74.5

7.8%

79.2

82.2

**Environmental and cultural affairs, and sport**

115.0

131.9

14.7%

139.8

140.6

Service commission

0.0

—

—

0.0

0.0

**Transport and works**

546.1

468.9

(14.1%)

494.1

466.0

Improvement in conditions of service

13.0

3.6

(72.2%)

7.7

10.5

**Total<sup>c</sup>**

10 103.7

10 242.1

1.4%

10 708.9

11 034.6

*Source:* Department of Finance

a

Amount voted.

b

Includes estimated improvements in conditions of service.

c

Figures should add up but may not, owing to rounding.

– A dash indicates that no provision was made for this particular

## **FORECASTS OF KEY ECONOMIC INDICATORS: 1999–2002**

1999

2000

2001

2002

### **Real GDP growth**

Nedcor

1.1%



2.6%

3.6%

2.4%

Absa Bank

0.9%

2.6%

2.7%

Finance Minister

0.9%

3.5%

3.4%

3.2%

BER<sup>a</sup>

0.8%

3.4%

**Inflation rate (CPI) (average)**

Nedcor

5.3%

5.3%

6.5%

7.5%

Absa Bank

5.5%

4.9%

6.4%

Standard Bank

5.3%

3.5%

BER<sup>a</sup>

5.3%

5.0%

**Producer price rise (PPI) (average)**

Absa Bank

5.8%

5.7%

5.4%

Standard Bank

5.7%

6.1%

BER<sup>a</sup>

6.0%

6.4%

**Growth in private consumption expenditure**

Nedcor

1.0%

2.2%

3.0%

2.5%

Absa Bank

0.4%

3.3%

3.6%

BER<sup>a</sup>

0.5%

2.7%

**Growth in gross domestic fixed investment**

Nedcor

-2.9%

3.0%

4.0%

8.0%

Absa Bank

-4.5%

5.9%

6.4%

BER<sup>a</sup>

-6.4%

3.7%

**Growth in gross domestic expenditure**

Nedcor

-0.6%

3.5%

3.8%

3.3%

Absa Bank

-0.1%

4.5%

4.1%

BER<sup>a</sup>

-0.5%

4.1%

## Real growth in exports

Nedcor

1.5%

5.0%

5.0%

6.0%

Absa Bank

-0.7%

3.3%

3.4%

## Real growth in imports

Nedcor

-5.5%

9.0%

6.0%

10.0%

Absa Bank

-5.0%

11.8%

9.0%

## Current account deficit (Rbn)

Nedcor

-5.0%

-11.2%

-13.2%

-18.4%

Absa Bank

4.2%

12.0%

16.6%

BER<sup>a</sup>

5.7%

11.7%

**Prime overdraft rate (at end of period)**

Nedcor

15.5%

14.5%

17.5%

15.5%

Absa Bank

15.50%

15.00%

16.00%

Standard Bank

15.50%

14.50%

**(4Q average)**

BER<sup>a</sup>

15.50%

14.75%

**R/\$ exchange rate (average)**

Nedcor

6.12

6.31

6.70

7.04

Absa Bank

6.11

6.31

6.64

Standard Bank

6.08

6.36

BER<sup>a</sup>

6.15

6.57

a

Bureau for Economic Res

## **BUSINESS**

### **BIRD'S EYE VIEW**

During the period under review a number of acts of Parliament were passed which affected business. The Competition Act of 1998 provided for the establishment of a competition commission, a competition tribunal, and a competition appeal court, which would regulate mergers and investigate restrictive practices and the abuse of dominant market positions by companies.

The Employment Equity Act of 1998 aimed to accelerate the hiring, training, and promotion of people from disadvantaged groups. Designated employers would have to implement plans to achieve equitable representation.

The National Empowerment Fund Act of 1998 provided for the establishment of a national empowerment fund to assist 'historically disadvantaged persons' by supporting business ventures, facilitating share ownership in privatised state assets and private enterprises, and encouraging investment, savings, and meaningful economic participation.

The Department of Trade and Industry estimated in 1998 that the small business sector absorbed some 45% of people employed in the formal market, and contributed about 33% to gross domestic product. Despite initiatives by the government and the private sector to promote small business, misgivings were voiced by several groups about the impact of government policies on this sector. The inclusion of a provision in the Employment Equity Act that 'designated' employers would be determined not only by the number of employees, but also on turnover, increased the number of small businesses that would have to comply with the act. A study commissioned in 1998 by the Department of Labour said that the Basic Conditions of Employment Act of 1997 would have only a limited negative effect on small businesses. As a result, no amendments were made to the act, whose remaining provisions came into



effect on 1st December 1998.

In November 1999, however, the minister of labour announced that certain provisions of the act would be partially relaxed for businesses with fewer than 10 employees with effect from 15th November. Their overtime ceiling, for example, was raised from 10 to 15 hours a week. Lower minimum wages for younger workers were also being considered.

Estimates of the extent of black economic empowerment differed according to the definition used. A report by a stockbroking firm, Legae Securities, said that there were 25 black-controlled companies listed on the Johannesburg Stock Exchange (JSE) with a combined market capitalisation of R47.2bn, or 3% of total market capitalisation. A further 60 listed companies were under black influence. A review by Ernst & Young found that the number of companies with black control accounted for some 4% of market value. Black control and influence was close to 11% of the market capitalisation of the JSE, the review noted. The chairman of the Standard Bank, Dr Conrad Strauss, said that black empowerment groups had effective control or substantial interest in 53 companies listed on the JSE, with a market capitalisation of R111bn.

Debate surrounding the need for the regulation of the microlending industry continued. This industry grants loans to people unable to obtain commercial bank loans. These loans (referred to as micro loans) are exempt from the provisions of the Usury Act of 1968, provided the lender registers with the relevant regulatory authority. Lenders who so register are subject to the provisions of a notice published in the *Government Gazette* in June 1999, which raised the micro loan ceiling from R6 000 to R10 000. The notice stipulated that the annual interest rate lenders would be permitted to charge may not exceed ten times the average prime overdraft lending rate (microlenders were reportedly charging interest rates of between 20% and 30% a month). Lenders would also be prohibited from retaining customers' ATM (automatic teller machine) cards and PIN (personal identification number) codes as security and would have to allow a three day 'cooling off' period for new contracts. Furthermore, loan terms would be restricted to 36 months.<sup>1</sup> [<sup>1</sup> Department of Trade and Industry, Notice in terms of Section 15(a) of the Usury Act, 1968 (Act No. 73 of 1968), no 713, *Government Gazette*, 1 June 1999 (vol 408)]

In July 1999 the Micro Finance Regulatory Council was approved by the Ministry of Trade and Industry as the regulatory authority of the microlending industry. Microlenders who registered with the council by 15th September 1999 would be obliged to comply with the notice published in the *Gazette* and would operate within the council's rules. Those lenders who registered with the council would be exempt from the maximum interest rate stipulated in terms of the Usury Act (but still limited to ten times the average prime overdraft rate).<sup>2</sup> [<sup>2</sup> Ibid; *Business Day* 22 July 1999]

In September 1999 the Transvaal Provincial Division of the High Court upheld a provision in the notice which stipulated that microlenders must register with the council. The case was brought against the Department of Trade and Industry and the council by the Association of Microlenders and 49 others. A second court case, set for October 1999, would determine whether the cap on interest rates and the ban on keeping ATM cards or identity documents as security was enforceable. At the time of writing

judgement had been reserved.<sup>3</sup> [<sup>3</sup> Telephonic interview with Ms Bertha Dlamini, communication and education officer, Micro Finance Regulatory Council, 8 October 1999]

A liquor bill tabled in Parliament in 1998 provided, among other things, for the regulation of the liquor industry. The proposed legislation would regulate the manufacture, distribution, and sale of liquor. It also provided for the regulation of shebeens, which would facilitate tax collection from shebeen owners. Furthermore, it introduced mechanisms to aid both the entry and the 'empowerment' of new owners into the industry.

A Promotion of Equality and Prevention of Unfair Discrimination Bill was tabled in Parliament in October 1999. Among business explicitly mentioned as being covered by the bill included property, insurance, pensions, banking, transport, entertainment, and travel.

## KEY POINTS

- In 1998 the small business sector absorbed about 45% of people employed in the formal sector and contributed some 33% to gross domestic product (GDP), the Department of Trade and Industry said.
- Ntsika Enterprise Promotion Agency estimated that in 1995 there were 591 400 informal enterprises in the private sector. According to the senior general manager of Business Partnerships, Mr Christo Botes, there were approximately 1.4m business ventures which had the characteristics of micro enterprises, of which some 20% were semi-formal enterprises which could be classified as properly established businesses.
- Gross domestic fixed investment by the private sector rose from R52.9bn in 1990 to R69.4bn in 1998—a nominal increase of 31.3%. As a proportion of total gross domestic fixed investment, the contribution of the private sector increased from 64% to 67%.
- The total number of liquidations increased by 12% in 1998. Between 1989 and 1998 the number of liquidations rose by 139%. In the first six months of 1999 there were 2 112 liquidations—a 25% increase on the same period in 1998.
- Depending on the definition used, black-controlled or black-influenced JSE-listed companies accounted for between 5% and 20% of total market capitalisation of the JSE.
- Micro loans in South Africa totalled an estimated R15bn a year, according to the Association of Microlenders. There were some 30 000 microlenders in South Africa in 1998, of whom fewer than 20% operated in the formal or semi-formal market.
- It was estimated in 1998 that African women accounted for 60% of people employed in the informal sector, with 88% of these women engaged in survivalist activities. Of the 5% of white women employed in the informal sector, only 12% were in survivalist activities.

- The North West Department of Agriculture estimated that there were 1.27m small-scale farmers in South Africa in 1997.
- There were an estimated 130 000 minibus taxis in operation in 1998, according to the National African Federated Transport Organisation. Some 50% of these operated illegally. The annual turnover of this industry was estimated at R3bn.
- The minister of labour announced that businesses with fewer than 10 employees would have certain provisions of the Basic Conditions of Employment Act applied to them less stringently from 15th November 1999.
- A Promotion of Equality and Prevention of Unfair Discrimination Bill, tabled in Parliament in October 1999, promised to have wide ramifications for business (and for the country as a whole).

## LEGISLATION

### Competition Act of 1998

The Competition Act of 1998 provided for the establishment of a competition commission to replace the Competition Board and be responsible for the control, evaluation, and investigation of restrictive practices, the abuse of dominant market positions by companies, and mergers between companies. The act also provided for the establishment of a competition tribunal, and a competition appeal court.

The act aimed to promote and maintain competition in South Africa in order to:<sup>4</sup> [<sup>4</sup> Competition Act, no 89 of 1998, *Government Gazette* No 19412, 30 October 1998]

- enhance economic adaptability, development, and efficiency;
- provide consumers with competitive prices and variety of choice in products;
- expand South African participation in world markets;
- promote small business sector participation in the economy; and
- promote a greater spread of ownership, particularly among ‘historically disadvantaged persons’.

Moreover, the act aimed to restrain particular trade practices which would undermine a competitive economy, such as market sharing and price-fixing. The abuse of a dominant market position by a firm would also be restricted.<sup>5</sup> [<sup>5</sup> *Business Day* 18 May 1999] The act stated that a firm is dominant in a market if it

has a 45% share of the market; or it has less than 35% of the market but has market power. In terms of the act, these firms would be prohibited from charging excessive prices, refusing competitors access to essential services, and applying price discrimination. According to Professor Saul Klein of the Wits Business School, there are at least 12 industries where a single firm holds a market share of more than 35%.<sup>6</sup> [<sup>6</sup> Ibid 1 April 1999]

Under the new legislation, the competition commission would have to be notified of all mergers. All large mergers would be referred to the competition tribunal, which would either approve or veto them. (A large merger was defined as one where the combined annual turnover and the combined assets of both the acquiring and the acquired firms are valued at or over R3.5bn.)<sup>7</sup> [<sup>7</sup> Competition Act no 89 of 1998, *Government Gazette* no 19412, 30 October 1998; *Business Day* 27 August 1999]

The act came into effect on 1st September 1999.<sup>8</sup> [<sup>8</sup> *The Star Business Report* 23 August 1999]

By the end of September the commission had been informed of only three mergers or acquisitions. However, 17 deals reported in the media during the month appeared to fall within the ambit of the commission. The head of the commission, Mr Alistair Ruiters, said that letters had been issued to 12 companies informing them that they could be in violation of the act. In terms of the act the commission can request the tribunal to levy fines of up to 10% of annual turnover on companies which do not comply with the act. The commission was also investigating 11 complaints of anti-competitive behaviour.<sup>9</sup> [<sup>9</sup> *Business Day* 23 September 1999]

## **National Empowerment Fund Act of 1998**

The National Empowerment Fund Act of 1998 provided for the establishment of a National Empowerment Fund to assist 'historically disadvantaged persons'. The fund's aim would be to:<sup>10</sup> [<sup>10</sup> National Empowerment Fund Act, no 105 of 1998, *Government Gazette* no 19598, 11 December 1998]

- facilitate share ownership in privatised state assets and private enterprises by 'historically disadvantaged persons';
- encourage and promote investment, savings, and meaningful economic participation by 'historically disadvantaged persons';
- promote and support business ventures established and managed by 'historically disadvantaged persons'; and
- contribute to the creation of employment opportunities.

Funding would include grants, donations, and bequests made to the fund; interest and income generated

by the investments of the fund; and money allocated by Parliament.

## **Employment Equity Act of 1998**

The Employment Equity Act of 1998 had as its central aim the acceleration of the hiring, training, and promotion of people from disadvantaged groups. 'Designated' employers (employing 50 people or more, or with a turnover equal to or exceeding minimum levels as set out in the act) would have to develop employment equity plans to achieve equitable representation in the workplace, and a timetable for implementation.<sup>11</sup> [<sup>11</sup> 1997/98 Survey, p229] These minimum levels ranged from R2m a year in agriculture to R25m a year in the wholesale and allied trades.<sup>12</sup> [<sup>12</sup> *The Star* 13 November 1998]

The inclusion of a provision that 'designated' employers would be determined not only on number of employees (as contained in earlier drafts of the bill) but also on turnover per year, increased the number of small businesses that would have to comply with the act's provisions. Whereas previously small enterprises would not have been designated as they generally employed fewer than 50 employees, it was now estimated that an additional 2 000 employers would be 'designated' on the basis of the turnover criterion alone.<sup>13</sup> [<sup>13</sup> Fast Facts No 9 1998] (See also chapter on *Employment*.)

## **Basic Conditions of Employment Act of 1997**

A study commissioned in 1998 by the Department of Labour found that the Basic Conditions of Employment Act of 1997 would have only a limited effect on small business enterprises.<sup>14</sup> [<sup>14</sup> *Business Day* 8 July 1998] (See 1997/98 Survey, p228.)

The study, conducted by the Ntsika Enterprise Promotion Agency (Ntsika), included a survey of 49 small businesses operating mainly in the manufacturing sector. The study focused on ten key aspects of the legislation, including average working hours, family responsibility leave, flexible working arrangements, maternity leave, overtime work and the payment of overtime, and weekly working hours. In general, it was found that in respect of these ten areas the actual effect of the legislation would be limited. However, family responsibility leave, maternity leave, and overtime payment were viewed as possibly having 'severe negative consequences'.<sup>15</sup> [<sup>15</sup> *Ibid*]

Most employers indicated that they would reduce overall overtime but were unclear as to the potential cost increases introduced by the act and the effect these would have on their businesses. Most employers were opposed to the provision of unpaid maternity leave of four months. The provision allowing three days of leave for family responsibility matters met with mixed reaction. Some employers said that there would be significant cost implications while others indicated that they would not comply with this provision.<sup>16</sup> [<sup>16</sup> *Ibid*]

In September 1998 Ntsika published the overall results of the study. These results showed that certain

provisions of the act would impact negatively only on certain sectors of small enterprise. However, small businesses in catering and accommodation, general dealers, service stations, transport, and security services would not be significantly affected by the provisions of the act.<sup>17</sup> [<sup>17</sup> *Sowetan* 18 September 1998]

As a result of the findings, the minister of labour, Mr Membathisi Mdladlana, said that no amendments would be made to the legislation and that the remaining provisions of the act would come into effect on 1st December 1998.<sup>18</sup> [<sup>18</sup> *Ibid*] (See also chapter on *Employment*.)

## Skills Development Levies Act of 1999

See chapter on *Education*.

## PRIVATISATION

In May 1999 the minister of public works, Mr Jeff Radebe, said that the government owned at least 240 000 fixed assets valued at R120bn, according to the state asset register. This was in contrast to a pre-1994 estimate of 112 000 assets. The Department of Public Works was mandated with compiling a national register of state-owned fixed property, a project which started in 1996. The state was the biggest property owner in South Africa, with assets including police stations, restaurants, farms, courts, museums, libraries, hangars, and houses.<sup>19</sup> [<sup>19</sup> *Business Day* 14 May 1999]

In July 1999 Mr Radebe said that an audit of state-owned enterprises would be conducted. The audit would determine the number of state-owned enterprises (estimated at 300), as well as their strategic and commercial value. The value of known state enterprises was estimated at R150bn. If 50% was sold off in five years, it would provide R15bn a year for the fiscus. This would enable the state to reduce borrowing and service its debt. The restructuring of state assets would also have a positive effect on the economy.<sup>20</sup> [<sup>20</sup> *The Star* 29 July 1999]

In August 1999 Mr Radebe announced that his ministry would be drawing up a 'legislative blueprint' for South Africa's privatisation programme. This would confirm government's commitment to privatisation and increase the pace of the programme. Mr Radebe said, however, that all enterprises earmarked for restructuring would have to be changed from cost centres for government into commercial businesses before they could be sold off, to ensure maximum benefit for the state. Transnet (transport services) and Denel (military hardware) were in urgent need of restructuring, Mr Radebe said.<sup>21</sup> [<sup>21</sup> *Ibid*; *Business Day* 6 August 1999]

Between 1995 (when the deputy president, Mr Thabo Mbeki, announced that a number of state-owned enterprises would be sold off) and September 1999, the following deals were concluded:<sup>22</sup> [<sup>22</sup> *Business Day* 10 September 1999]

- In 1997 a controlling interest in Sun Air was sold to the Rethabile/Comair consortium for R42.1m; several South African Broadcasting Corporation radio stations were sold to private enterprises for R510.2m; and 30% of Telkom was sold to SBC Communications and Telekom Malaysia for R5.63bn;
- In 1998, 20% of the Airport Company South Africa was sold to Italy's Aeroporti di Roma for R819m and a further 4.2% sold to a black empowerment consortium for R172m; and 30% of Transnet's fleet management company, Viamax Fleet Solutions, was sold to a black empowerment consortium for R12m;
- In 1999, 75% of Aventura Holiday Resorts was sold to Kopano ke Matla for R93m (the deal was subsequently cancelled and a five-year management agreement signed with Protea Hotels); the Alexkor (diamond mining) management contract was awarded to the Nabera consortium; 20% of South African Airways was sold to Swissair for R1.4bn; and a Transnet travel subsidiary, Connex Travel, was sold to a consortium of Rennies Travel and El Shaddai Equity Investments for R13.5m.

In September 1999 the following deals were under negotiation:<sup>23</sup> [<sup>23</sup> Ibid]

- the sale of 500 000ha of state commercial forests (estimated at between R1bn and R1.5bn); and
- an undisclosed stake in Denel Aviation was expected to be sold to British Aerospace and a black empowerment group.

Further planned restructuring and/or partial privatisation included:<sup>24</sup> [<sup>24</sup> Ibid]

- selling off Transnet's non-core assets and introducing private sector partners in certain core operations;
- finding an international equity partner for arms manufacturer Denel;
- acquiring a strategic equity partner for Eskom's Rotek Industrial; and
- listing, through an initial public offering, a stake in Telkom, the Airports Company, and possibly South African Airways.

## **BUSINESS INDICATORS**

### **Statistics**

*The figures below were the latest available at the time of writing.*

The private enterprise sector can be broken down into six categories:

- survivalist and micro enterprises (which make up the informal sector);
- very small, small, and medium enterprises (which make up the small business sector); and
- large enterprises.

The table below gives an estimated sectoral breakdown of the 836 850 private sector enterprises (formal and informal and excluding the electricity, gas, and water sectors) in South Africa in 1995.<sup>25</sup> [25 Ntsika Enterprise Promotion Agency (Ntsika), Department of Trade and Industry, *The State of Small Business in South Africa, Annual Review*, 1997]

***Estimated sectoral breakdown of private sector enterprises: 1995***

Survivalist<sup>a</sup>

Micro<sup>b</sup>

Very small<sup>c</sup>

Small<sup>d</sup>

Medium<sup>e</sup>

Large

Total

**Agriculture**

16 000

21 900

21 100

28 300



3 600

1 400

92 300

Mining

650

2 250

500

100

100

131

3 731

**Manufacturing**

28 000

40 900

34 000

5 200

3 850

1 605

113 555

Construction

20 000

42 500

14 000

2 300

930

244

79 974

**Retail trade<sup>f</sup>**

102 000

165 800

36 900

12 500

950

733

318 883

Wholesale trade

800

3 900

7 100

2 700

750

600

15 850

**Catering and accommodation**

2 000

8 300

3 000

2 700

350

100

16 450

Transport

4 000

38 000

5 800

1 700

280

227

50 007

**Finance and business services**

3 400

39 400

17 600

4 600

350

350

65 700

Community, social, and personal services

18 100

33 500

24 600

3 500

400

300

80 400

**Total**

194 950

396 450

164 600

63 600

11 560

5 690

836 850

*Source:* Ntsika Enterprise Promotion Agency

a

Generate income which is less than the minimum income standard or poverty line, have no paid employees, and minimal asset value. Includes hawkers, subsistence farmers, and vendors.

b

Turnover less than the VAT registration limit (R150 000 a year), has an employment limit of five employees, and lacks formality in terms of registration for tax purposes, labour legislation, business premises, and accounting procedures. Includes household industries, minibus taxis, and spaza shops.

c

Employ fewer than ten paid employees (20 in the construction, electricity, manufacturing, and mining sectors), operate on the formal market, and have access to modern technology. The lower limit comprises the self-employed with no employees, such as professionals and artisans. The threshold between micro enterprises and very small enterprises can be somewhat fluid.

d

Upper limit of 50 employees (20 in construction, electricity, manufacturing, and mining sectors), with more complex business practices. Enterprises have developed a secondary co-ordinating mechanism with direct supervision no longer entirely in the hands of the entrepreneur.

e

Maximum limit of 100 paid employees (200 in construction, electricity, manufacturing, and mining sectors), with more complex management structures while still being owner/manager controlled.

f

Including the mot

The pie chart below gives a proportional breakdown of the private sector according to size in 1995.

## **Gross Domestic Product by Type of Economic Activity**

See chapter on the *Economy*.

## Gross Domestic Fixed Investment Accounted for by the Private Sector

The following table shows both the amount and the proportion of gross domestic fixed investment (GDFI) (calculated at constant 1995 prices) which was accounted for by the private sector in the period 1990–98;<sup>26</sup> [26 South African Reserve Bank (SARB), *South Africa's National Accounts 1946–98*, supplement to the SARB *Quarterly Bulletin*, July 1999; fax communication from the SARB, 4 August 1999]

### *Gross domestic fixed investment by the private sector:<sup>a</sup> 1990–98*

*Year*

Fixed investment by private sector Rm

Proportion of total gross domestic fixed investment<sup>b</sup>

1990

52 861

63.5%

1991

49 936

64.8%

1992

48 749

66.7%

1993

50 823

70.0%

1994

57 282

72.8%

1995

63 534

73.0%

1996

68 264

73.0%

1997

71 449

72.6%

1998

69 385

67.2%

*Source:* South African Reserve Bank

a

Includes transfer costs.

b

Includes public authorities and public corporations.

The following graph shows private sector fixed investment as a proportion of total GDFI for the p

## Private Consumption Expenditure

The table below shows private consumption expenditure (calculated at constant 1995 prices) for the period 1991–98.<sup>27</sup> [<sup>27</sup> SARB, *Quarterly Bulletin*, June 1999, pS–113]

### *Private consumption expenditure: 1991–98*

1991 Rm

1992 Rm

1993 Rm

1994 Rm

1995 Rm

1996 Rm

1997 Rm

1998 Rm

### *Durable goods*

Furniture, household appliances etc.

8 120

7 507

7 356

7 740

8 344



8 813

8 881

8 778

Personal transport equipment

11 932

11 147

11 752

11 673

13 246

14 300

14 039

12 201

Recreation and entertainment goods

4 909

5 100

4 589

4 527

7 352

4 541

4 770

4 896

Other durable goods<sup>a</sup>

1 720

1 725

1 899

2 279

2 852

3 002

3 079

3 066

**Subtotal**

26 738

25 479

25 596

26 219

28 794

30 656

30 769

28 941

*Semi-durable goods*

Clothing and footwear

16 326

16 633

18 114

19 436

21 015

22 357

23 287

23 866

Household textiles, fur- nishings etc.

5 864

5 831

5 676

6 059

6 314

6 732

6 951

7 010

Motor car tyres, parts, and accessories

5 313

5 182

4 498

4 483

4 726

5 120

4 983

5 071

Recreation and entertainment goods

3 890

3 833

3 745

3 765

3 935

4 024

4 209

4 400

Miscellaneous goods<sup>b</sup>

445

453

453

474

454

466

481

502

**Subtotal**

31 829

31 932

32 486

34 217

36 444

38 699

39 866

40 849

***Non-durable goods***

Food, beverages, and tobacco

106 051

100 365

100 290

102 932

105 704

109 259

112 981

113 379

Household fuel and power

8 542

8 725

8 415

8 915

9 996

10 279

10 557

10 966

Household consumer goods

9 197

10 315

10 906

11 242

11 697

11 635

11 603

11 635

## Medical and pharmaceutical products

3 942

3 789

3 818

5 046

5 852

6 133

6 348

6 406

## Petroleum products

8 933

9 201

9 606

10 719

11 754

12 535

12 844

13 069

## Recreation and entertainment goods

3 921

3 705

4 097

3 560

3 686

3 737

3 773

3 865

**Subtotal**

140 890

136 100

137 132

142 414

148 689

153 578

158 106

159 320

**Services**

Rent<sup>c</sup>

28 251

28 791



29 433

29 948

30 494

31 125

31 660

32 173

Household services

9 859

9 817

10 055

10 191

10 672

10 809

11 034

11 036

Medical services

11 678

12 408

13 042

14 460

15 944

16 584

16 777

16 914

Transport and communication services

22 557

22 859

26 049

27 651

29 992

31 829

33 532

35 176

Recreational, entertainment, educational services

9 678

9 587

9 384

10 234

11 341

11 460

11 658

12 143

Miscellaneous services<sup>d</sup>

31 386

31 853

30 542

30 148

30 667

35 306

36 526

38 145

**Subtotal**

113 166

115 315

118 505

122 632

129 110

137 113

141 187

145 587

**TOTAL**

313 280

308 826

313 719

325 482

343 037

360 046

369 928

374 697

*Source:* South African Reserve Bank

a

Jewellery, watches, therapeutic appliances etc.

b

Personal goods, and writing and drawing equipment and supplies.

c

Including imputed rent for owner-occupied dwellings.

d

After adjustment for net expenditure by fo

The table below shows the increase in private consumption expenditure from 1991 to 1998:

***Increase in private consumption expenditure: 1991–98***

Durable goods

Furniture, household appliances etc.

8.1%

Personal transport equipment

2.3%

Recreation and entertainment goods

(0.3%)

Other durable goods<sup>a</sup>

78.3%

**Subtotal**

8.2%

*Semi-durable goods*

Clothing and footwear

46.2%

Household textiles, furnishings etc.

19.5%

Motor car tyres, parts, and accessories

(4.6%)

Recreation and entertainment goods

13.1%

Miscellaneous goods<sup>b</sup>

12.8%

**Subtotal**

28.3%

***Non-durable goods***

Food, beverages, and tobacco

6.9%

Household fuel and power

28.4%

Household consumer goods

26.5%

Medical and pharmaceutical products

62.5%

Petroleum products

46.3%

Recreation and entertainment goods

(1.4%)

**Subtotal**

13.1%

Services

Rent<sup>c</sup>

13.9%

Household services

11.9%

Medical services

44.8%

Transport and communication services

55.9%

Recreational, entertainment, and educational services

25.5%

Miscellaneous services<sup>d</sup>

21.5%

**Subtotal**

28.6%

**TOTAL**

19.6%

*Source:* South African Reserve Bank

a

Jewelry, watches, therapeutic appliances etc.

b

Personal goods, and writing and drawing equipment and supplies etc.

c

Including imputed rent for owner-occupied dwellings.

d

After adjustment for net expenditure by fo

The graph below shows total private consumption expenditure on durable, semi-durable, non-durable goods, and services in 1991 and 1998.

## Johannesburg Stock Exchange

### 'Black Chip' Companies

The total value of black empowerment transactions in 1998 was R21bn, compared with R5bn in 1997, and R1.6bn in 1996, according to a report published by BusinessMap. The highest concentration of black empowerment transactions was in the financial services sector (R9.3bn); followed by information technology and telecommunications (R4.5bn); and print, publishing, and broadcasting (R3.9bn).<sup>28</sup> [<sup>28</sup> *Business Day, Sowetan* 12 March 1999]

A review conducted by an accounting firm, Ernst & Young, on merger and acquisition activity found that the 155% growth in black economic empowerment activity in 1998 outstripped growth in the overall mergers and acquisitions market—111 black empowerment transactions were published at a value of R21.2bn (6.7% of total transactions). In 1997 there were 52 black economic empowerment deals, valued at R8.3bn.<sup>29</sup> [<sup>29</sup> *The Citizen* 29 March 1999]

According to the review, it was difficult to determine which enterprises were black-controlled, and which were simply influenced by black businessmen. Depending on one's definition, black-controlled or black-influenced JSE-listed firms accounted for between 5% and 20% of total market capitalisation. Realistically, it was closer to 11%, the review stated. The number of companies with core black control accounted for only 4% of market value.<sup>30</sup> [<sup>30</sup> *Ibid; Finance Week* 16 July 1999]

Black economic empowerment slowed down in 1998, according to McGregor's *Who Owns Whom*. In 1998 black groups controlled 8.9% of the JSE's market capitalisation, compared with 9.3% in 1997. According to Mr Robin McGregor, the fact that there had been no growth in black control of the JSE in 1998 showed a period of consolidation after fairly rapid growth since 1991. Major empowerment groups had also experienced problems during 1998 which led to a drop in their market capitalisation.<sup>31</sup> [<sup>31</sup> *Sunday Times Business Times* 14 June 1999]

A report published in August 1999 by a stockbroking firm, Legae Securities, found that there were 25 black-controlled companies listed on the JSE with a combined market capitalisation of some R47.2bn, or 3% of the market total. (Black control is defined as 45% of equity plus voting control.) A further 60



listed companies were under black influence. (Companies have found it necessary to introduce empowerment shareholders to satisfy government licensing and tender requirements. The pattern among established businesses has been to form consortia in which there is black corporate involvement.) Between December 1996 and June 1999 black ownership and influence as a proportion of the financial and industrial index of the JSE grew from 5% to 17%, the report stated.<sup>32</sup> [<sup>32</sup> *Financial Mail* 24 September 1999]

BusinessMap said in September 1999 that the share of market capitalisation accounted for by black-controlled companies dropped from 6% in November 1998, to 4.2% in July 1999. The consultancy estimated that the figure could drop further, to about 2%.<sup>33</sup> [<sup>33</sup> *Financial Times* 20 September 1999]

Also in September, the chairman of the Standard Bank, Dr Conrad Strauss, said that black empowerment groups had effective control or substantial interest in 53 companies listed on the JSE, with a market capitalisation of R111bn.<sup>34</sup> [<sup>34</sup> *Business Day* 27 September 1999]

## The 'Big Five' Companies

Control of the JSE's market capitalisation by South Africa's 'big five' companies—Anglo American, Liberty Life, Rembrandt, Sanlam, and SA Mutual—dropped from 83.7% in 1994 to 54.7% in 1998, according to McGregor's *Who Owns Whom*. In the 12 months to the end of 1998, 'big five' control slipped by almost 12 percentage points. In the ten years prior to 1995, control never dropped below 80%, and reached a high of 85.1% in 1987. According to Mr Robin McGregor, a move towards unbundling and a focus on core business was the main reason for the shift. The most significant change in the market capitalisation of the JSE had been the reduction in Anglo American's holdings. In 1960 Anglo American controlled 60.1% of the JSE. This dropped to 17.4% in 1998.<sup>35</sup> [<sup>35</sup> *Ibid* 14 June 1999]

## Liquidations

The following table shows the total number of liquidations in South Africa in the period 1989–98:<sup>36</sup> [<sup>36</sup> Statistics South Africa (Stats SA), *Statistics of Liquidations and Insolvencies, June 1999*, Statistical Release P0043, 29 July 1999]

### *Total number of liquidations: 1989–98<sup>a</sup>*

*Year*

Liquidations

Increase (decrease)

Average liquidations per month

1989

1 573

–

131

**1990**

1 590

1.1%

133

1991

1 888

18.7%

157

**1992**

2 408

27.5%

201

1993

2 720

13.0%

227

**1994**

3 273

20.3%

273

1995

3 269

(0.1%)

272

**1996**

2 909

(11.0%)

242

1997

3 351

15.2%

279

**1998**

3 766

12.4%

314

*Source:* Statistics South Africa

a

Includes the liquidation of companies and close corporations but excludes private persons, individuals, and partnerships, who are placed under final sequestration. Includes voluntary and compulsory liquidations.

The line graph below shows the trend in liquidations in the p

The number of liquidations in 1998 increased by 139% compared with 1989. The number of compulsory liquidations increased by 119% in the nine years since 1989, while voluntary liquidations showed an increase of 175% over the same period.<sup>37</sup> [<sup>37</sup> Ibid]

In the first six months of 1999 there were 2 112 liquidations—215% more than in the same period in 1989 and 25% higher than in the first half of 1998.<sup>38</sup> [<sup>38</sup> Ibid]

## SMALL BUSINESS

According to the Ntsika Enterprise Promotion Agency (Ntsika)—a government agency set up in 1995 to promote the development of the small business sector—the small business sector is made up of four categories of enterprise: survivalist, micro, small (including very small), and medium. This sector thus accounted for 99.3% of all private sector enterprises in the country—0.7% being made up of large enterprises. Survivalist and micro enterprises constitute the informal sector (71% of all enterprises). (See also *Informal sector* below.)<sup>39</sup> [<sup>39</sup> Ntsika, *The State of Small Business in South Africa, Annual Review*, 1997]

In 1998 the Department of Trade and Industry estimated that the small business sector absorbed some 45% of people employed on the formal market and contributed some 33% to gross domestic product.<sup>40</sup> [<sup>40</sup> *F & T Weekly* 1 May 1998]

About 40% of small, medium, and micro enterprises (SMMEs) are started because of retrenchment or unemployment, according to a study by the Bureau of Market Research at the University of South Africa. The study of 832 SMMEs found that each manufacturing enterprise created an average of 5.9 jobs, and each construction enterprise created 10.7 jobs. Some 60% of SMME owners and managers in manufacturing, and 96% in construction, were men. About half of SMMEs did not have their own transport, and only two thirds had access to a telephone.<sup>41</sup> [<sup>41</sup> *Sunday Times Business Times* 18 July 1999]

Since 1998 the South African economy has been deregulated to a large extent, and many South Africans have started their own businesses. However, this is not reflected in official employment statistics, according to an economist at a consultancy, Forecaster Ecosa, Mr Helmo Preuss. The number of bed and breakfast establishments was estimated at 20 000 in 1998, a substantial increase from 350 in 1993. If

five jobs were created at each establishment, 100 000 jobs were created in four years. These figures were not reflected in the official statistics, however. Furthermore, the number of new companies registered increased from a monthly average of 660 in 1993 to 1 820 in 1997. A net 60 000 companies were established since the end of 1993, which, at ten jobs per company, translated into 600 000 jobs, Mr Preuss said.<sup>42</sup> [<sup>42</sup> *Financial Mail* 7 August 1998]

## Small and Medium Formal Business

### Statistics

The table and pie charts below show the estimated sectoral breakdown of small (including very small) and medium private sector enterprises in the formal sector in 1995 (excluding the electricity, water and gas sector, and state-owned enterprises).<sup>43</sup> [<sup>43</sup> Ntsika, *The State of Small Business in South Africa, Annual Review*, 1997] These enterprises accounted for 29% of all enterprises in South Africa, formal and informal. (These figures are the latest available.)

### *Estimated sectoral breakdown of small and medium private sector enterprises: 1995*

Very small<sup>a</sup>

Small<sup>b</sup>

Medium<sup>c</sup>

**Total**

Agriculture

21 100

28 300

3 600

**53 000**

Mining

500

100

100

**700**

Manufacturing

34 000

5 200

3 850

**43 050**

Construction

14 000

2 300

930

**17 230**

Retail traded

36 900

12 500

950

**50 350**

Wholesale trade

7 100

2 700

750

**10 550**

Catering and accommodation

3 000

2 700

350

**6 050**

Transport

5 800

1 700

280

**7 780**

Finance and business services

17 600

4 600

350

**22 550**

Community, social, and personal services

24 600

3 500

400

**28 500**

Total

164 600

63 600

11 560

239 760

*Source:* Ntsika Enterprise Promotion Agency

a

Employ fewer than ten paid employees (20 in the construction, electricity, manufacturing, and mining sectors), operate on the formal market, and have access to modern technology. The lower limit comprises the self-employed with no employees, including professionals and artisans.

b

Upper limit of 50 employees (20 in the construction, electricity, manufacturing, and mining sectors), with more complex business practices. Enterprises have developed a secondary co-ordinating mechanism with direct supervision no longer entirely in the hands of the entrepreneur.

c

Maximum limit of 100 paid employees (200 in the construction, electricity, manufacturing, and mining sectors), with more complex management structures while still being owner/manager controlled.

d

Including the motor

### ***International Comparisons***

Figures provided by the Office for Official Publications of the European Communities showed that in 1990 (the latest date for which information was available), 92% of people employed in Spain had



employment in the small business sector. In Italy the proportion was 83%, followed by Portugal (80%), and Luxembourg (76%). The lowest proportion of small business sector employment was found in France, where 61% of employed people had jobs in this sector.<sup>44</sup> [<sup>44</sup> *Optima*, vol 44 no 3, December 1998]

## Informal Sector

According to the Ntsika Enterprise Promotion Agency (Ntsika), the informal sector comprised survivalist and micro enterprises, as identified in the National Small Business Act of 1996. (However, Ntsika noted that the distinction drawn between formal registered enterprises and informal unregistered enterprises was not desirable as this tended to marginalise the latter. From a policy perspective it was preferable to afford a degree of fluidity to the boundaries between formal and informal enterprises, Ntsika said.)<sup>45</sup> [<sup>45</sup> Ntsika, *The State of Small Business in South Africa, Annual Review*, 1997]

## Statistics

A survivalist enterprise has minimal asset value, generates monthly income below the poverty line (or minimum income standard), and has no paid employees. These enterprises include hawkers, subsistence farmers, and vendors. Micro enterprises generate turnover of less than R150 000 a year and lack formality in terms of registration for taxation purposes, labour legislation, business premises, and accounting procedures. These enterprises include household industries, spaza shops, and taxis. They have fewer than five employees.<sup>46</sup> [<sup>46</sup> *Ibid*] These enterprises accounted for 71% of all private sector enterprises in South Africa.

The table below show the estimated sectoral breakdown of private sector enterprises in the informal sector in 1995.<sup>47</sup> [<sup>47</sup> *Ibid*]

### *Estimated sectoral breakdown of private sector<sup>a</sup> enterprises in the informal sector: 1995*

—— Survivalist<sup>b</sup> ——

————— Micro<sup>c</sup> —————

No employees

1–4 employees

Number

Proportion of total

Number

Proportion of total

Number

Proportion of total

**Total**

Agriculture

16 000

8.2%

9 500

3.7%

12 400

9.0%

**37 900**

Mining

650

0.3%

250

0.1%

2 000

1.5%

**2 900**

### Manufacturing

28 000

14.4%

24 300

9.4%

16 600

12.1%

**68 900**

### Construction

20 000

10.3%

26 500

10.2%

16 000

11.7%

**62 500**

### Retail trade<sup>d</sup>

102 000

52.3%

115 000

44.4%

50 800

37.0%

**267 800**

Wholesale trade

800

0.4%

2 700

1.0%

1 200

0.9%

**4 700**

Catering, and accommodation

2 000

1.0%

4 800

1.9%

3 500

2.6%

**10 300**

Transport

4 000

2.1%

26 000

10.0%

12 000

8.7%

**42 000**

Finance, and business services

3 400

1.7%

27 000

10.4%

12 400

9.0%

**42 800**

Community, social, and personal services

18 100

9.3%

23 200

8.9%

10 300

7.5%

**51 600**

Total

194 950

100.0%

259 250

100.0%

137 200

100.0%

591 400

*Source:* Ntsika Enterprise Promotion Agency

a

Excludes electricity, water, and gas sectors.

b

Generates income which is less than the minimum income standard, has no paid employees, and minimal asset value.

c

Turnover generated is less than R150 000 a year, has an employment limit of five employees, and lacks formality in terms of registration for tax purposes, labour legislation, business premises, and accounting procedures.

d

Including the motor retail trade.

The following pie chart gives the estimated sectoral breakdown of private sector enterprises in the info

Estimates provided by the senior general manager of Business Partnerships (formerly the Small Business Development Corporation), Mr Christo Botes, showed that in 1997 there were some 1.4m business ventures (including street vendors) which had the characteristics of micro enterprises, of which some 20% were semi-formal enterprises which could be classified as properly established businesses. (In addition, there were 430 000 businesses being run by a single entrepreneur or as a partnership, 370 000 close corporations, some 194 000 unlisted companies, and 711 listed companies.)<sup>48</sup> [<sup>48</sup> *F & T Weekly* 1 May 1998]

International comparisons showed that an estimated 40%–80% of urban workforces in developing nations were employed in the informal sector.<sup>49</sup> [<sup>49</sup> *The Star* 28 July 1998]

A report on poverty and inequality in South Africa published in May 1998 showed that people in the informal sector tended to remain poor while being employed, because this sector consisted almost entirely of workers engaged in survivalist activities. Of the estimated 1.2m people in the informal sector 86% were African and 8% were coloured people (the remaining 6% were whites or Indians). The report noted that the most common activities in the informal sector were retail and service-orientated, with a small proportion of informal entrepreneurs engaged in manufacturing activities.<sup>50</sup> [<sup>50</sup> Report prepared for the Office of the Executive Deputy President and the Inter-Ministerial Committee for Poverty and Inequality, *Poverty and Inequality in South Africa*, 13 May 1998]

The following table and charts show the sectoral distribution of informal sector entrepreneurship by race in 1995 (very small enterprises do not form part of the informal sector but have been included for purposes of comparison):<sup>51</sup> [<sup>51</sup> Ntsika, *The State of Small Business in South Africa*, Annual Review, 1997]

### ***Informal sector entrepreneurship by race: 1995***

---

Informal sector

---

Survivalist enterprise<sup>a</sup>

Micro enterprise (no employees)<sup>b</sup>

Micro enterprise (1–4 employees)<sup>b</sup>

Very small enterprise<sup>c</sup>

Black<sup>d</sup>

White

Black<sup>d</sup>

White

Black<sup>d</sup>

White

Black<sup>d</sup>

White

Agriculture

69%

31%

46%

54%

13%

87%

3%

97%

Manufacturing



85%

15%

49%

51%

56%

44%

18%

82%

### Construction

91%

9%

51%

49%

49%

51%

19%

81%

### Trade

92%

8%

76%

24%

43%

57%

40%

60%

Catering

83%

17%

56%

44%

32%

68%

15%

85%

Transport

90%

10%

88%

12%

78%

22%

61%

39%

**Finance**

47%

53%

16%

84%

15%

85%

7%

93%

**Community services**

78%

22%

53%

47%

42%

58%

24%

76%

**Total**

86%

14%

64%

36%

40%

60%

29%

71%

*Source:* Ntsika Enterprise Promotion Agency.

a

Generate income which is less than the minimum income standard or poverty line, have no paid employees, and minimum asset value. Includes hawkers, subsistence farmers, and vendors.

b

Turnover is less than the VAT registration limit (R150 000 a year), has an employment limit of five employees, and lacks formality in terms of registration for tax purposes, labour legislation, business premises, and accounting procedures. Includes household industries, minibus taxis, and spaza shops.

c

Employ fewer than ten paid employees (20 in the construction, electricity, manufacturing, and mining sectors), operate in the formal market, and have access to modern technology. The lower limit comprises the self-employed with no employees, including artisans and professionals. The threshold between micro enterprises and very small enterprises can be somewhat fluid.

d

Includes Africans, Asians, and co

The following table shows the distribution of women entrepreneurs (formal and informal) according to sector in 1995:<sup>52</sup> [52 Ibid]

*Self-employed women by sector: 1995<sup>a</sup>*

*Sector*

Number of self- employed women

Proportion of total number of self-employed women

Trade and allied services

**111 000**

49.7%

Textile, clothing, and leather manufacturing

31 000

13.9%

Social and related community services

**28 000**

12.5%

Real estate and business services

12 000

5.4%

Agriculture

10 500

4.7%

**Catering and accommodation services**

6 500

2.9%

Building and construction

4 500

2.0%

**Food and beverages manufacturing**

4 500

2.0%

Recreational and cultural services

3 500

1.6%

**Wood, paper, and furniture manufacturing**

3 400

1.5%

Transport and storage

1 800

0.8%

**Non-metallic mineral products manufacturing**

1 400

0.6%

Insurance

1 100

0.5%

**Financial intermediation**

1 000

0.5%

Other manufacturing

900

0.4%

**Basic metal industries and machinery**

600

0.3%

Chemicals and plastic products manufacturing

600

0.3%

**Communication**

300

0.1%

Other mining and quarrying

250

0.1%

**Forestry**

250

0.1%

Fishing

100

0.4%

**Total<sup>b</sup>**

223 200

100.0%

*Source:* Ntsika Enterprise Promotion Agency

a

Includes survivalist, micro, and very small enterprises. While very small enterprises do not form part of the informal sector they have been included because the division between low-end very small enterprises and high-end micro enterprises is often fluid.

b

Figures may not add

In 1998 it was estimated that African women constituted 60% of the total number of people employed in the informal sector, 88% of these women being engaged in survivalist activities. Some 5% of those employed in the informal sector were Indian and coloured women, some 91% of these women being engaged in survivalist activities. Of the 5% of white women employed in the informal sector, only 12% found employment in the survivalist sector.<sup>53</sup> [<sup>53</sup> *The Star* 28 July 1998]



## **Income**

The results of a survey conducted by the Southern Africa Labour and Development Research Unit found that some 45% of the self-employed in the informal sector were earning incomes below the Supplemental Living Level (SLL) poverty line of R222 a month. Of the total number of self-employed people earning less than the SLL, 76% were African, 67% were aged between 15 and 24 years, 60% were women, and 46% were based in rural areas. Therefore, the most disadvantaged group among the self-employed was African women aged between 15 and 24 years who lived and worked in rural areas. Some 80% of those who were self-employed and earning below the SLL fell into the above category.

The survey also suggested that there was a strong connection between the type of activity undertaken by the self-employed and the extent of poverty. The majority of self-employed shopkeepers had incomes higher than the poverty line, while most street vendors and shebeen owners had earnings below the poverty line. A high proportion in the informal sector were the 'working poor', who would readily accept employment in the formal sector. The report recommended that policies targeted at small, medium, and micro enterprises be geared towards assisting the most vulnerable groups within the informal sector.<sup>54</sup> [<sup>54</sup> Report prepared for the Office of the Executive Deputy President and the Inter-Ministerial Committee for Poverty and Inequality, *Poverty and Inequality in South Africa*, 13 May 1998] (See also chapter on *Employment*.)

## **Hawkers**

National statistics for the number of hawkers in South Africa were not available during the period under review.

## **Shebeens and Taverns**

Official national statistics of the number of shebeens and taverns were unavailable during the period under review. According to the media liaison officer of the South African Revenue Service, Mr Christo Henning, it was estimated that there were some 250 000 unlicensed shebeens operating in South Africa. However, Mr Sam Buthelezi of the South African Taverners Association estimated that the figure was closer to 100 000.<sup>55</sup> [<sup>55</sup> *Business Day* 2 October 1998]

The liquor bill tabled in Parliament in 1998 provided for the regulation of the liquor industry. The proposed legislation would regulate the manufacture, distribution, and sale of liquor. It also provided mechanisms for incorporating traditionally unregulated shebeens, which would facilitate tax collection from shebeen owners. Furthermore it introduced mechanisms to aid both the entry and the 'empowerment' of new owners into the industry.<sup>56</sup> [<sup>56</sup> Liquor Bill (As Amended by the Select Committee on Economic and Foreign Affairs [National Council of Provinces]), B131B-98]

According to Mr Buthelezi the gross monthly profit of a shebeen was approximately R6 000. The

introduction of tax mechanisms would increase the prices charged in shebeens as most shebeen owners paid excise duty at the supplier level and did not pay value added tax or company tax on profits.<sup>57</sup> [<sup>57</sup> *Business Day* 2 October 1998]

## Spaza Shopowners

According to a survey published in 1998 by the Bureau of Market Research (BMR) at the University of South Africa, almost a quarter of total retail sales in South Africa were accounted for by retailers in the informal sector. (The survey was conducted using a sample of 970 spazas in Tembisa (Gauteng) and was extrapolated to give a national overview.) The survey found that the total sales of retailers in the informal sector were almost one and a half times larger than the combined turnover of the three main retail groups in South Africa—Pick 'n Pay, Shoprite-Checkers/OK, and Spar—which totalled R32bn in 1997. The survey showed further that 70% of informal businesses were concentrated in commerce and trade with particular emphasis on the spaza shop (defined as a small retail home enterprise trading consumer goods).<sup>58</sup> [<sup>58</sup> *Sowetan* 4 March 1998]

In respect of the sample group used, the survey found the following.<sup>59</sup> [<sup>59</sup> *Ibid*]

- almost 60% of spazas surveyed were located in formal residential areas, amounting to one spaza per 47 residential stands; and
- spazas located in informal residential areas averaged one per 37 residential stands.

Some 42% of the products sold by spazas were foodstuffs (including cold drinks), followed by cigarettes and tobacco (14%), alcoholic beverages (13%), fuel and energy products and cleaning agents (10% each), personal hygiene products (5%), medicines (3%), and reading materials and other products (3%).<sup>60</sup> [<sup>60</sup> *Beeld* 2 March 1998] Most of the businesses surveyed were established with capital of less than R1 500. Of those spazas established in formal residential areas the start-up capital dropped to R400 or less. The survey concluded that although most spaza shops continued to operate in the survivalist sector of the economy, there was evidence to suggest that their operations were becoming more sophisticated and more closely linked to the formal economy of the country.<sup>61</sup> [<sup>61</sup> *Sowetan* 4 March 1998]

## Stokvels

National statistics for the number of stokvels in South Africa were not available during the period under review.

## Small Farmers

In 1999 Statistics South Africa published a report on agricultural surveys from 1994 to 1996 (see chapter

on *Employment*).

Figures provided by the Land and Agricultural Bank of South Africa showed that there had been an increase in the demand for loans from emerging black farmers in the 12 months up to September 1998. According to the managing director of the Land and Agricultural Bank, Dr Helena Dolny, more than 2 600 black emerging farmers had applied for loans between March and September 1998. Moreover, the bank had introduced loan products designed to ensure easier access to loan capital without the strict collateral requirements which had historically excluded emerging farmers.<sup>62</sup> [<sup>62</sup> *City Press* 6 September 1998]

## Taxis

While official statistics for the number of minibus taxis operating in South Africa were unavailable for the period under review, Mr Jacob Baleni of the National African Federated Transport Organisation estimated that there were some 130 000 taxis in the country, some 50% of them operating illegally. The annual turnover of the industry was estimated at about R3bn.<sup>63</sup> [<sup>63</sup> *The Star* 13 March 1998] (See also chapter on *Communications*.)

## Finance

During the period under review there were a variety of special financing options available to small business. This section highlights some of these.

Since its creation in 1981, Business Partnerships (formerly the Small Business Development Corporation) had granted some 61 000 business loans valued at R3.2bn. In the financial year ending March 1998 Business Partnerships had acquired a minority shareholding in 153 of the 896 projects in which it had invested, had approved financing valued at R306m (as compared with R243m in the previous year), and had created 13 400 employment opportunities.<sup>64</sup> [<sup>64</sup> *Business Day* 14 October 1998]

In the five years preceding 1998 the Industrial Development Corporation extended credit valued at some R2bn to 1 100 small businesses, which facilitated the creation of 35 000 employment opportunities. It was estimated that the export earnings of these new businesses totalled some R3bn.<sup>65</sup> [<sup>65</sup> *F & T Weekly* 1 May 1998]

Since its formation in 1982 Get Ahead Financial Services (Get Ahead) provided loans valued at R34m, with a recovery rate of 93%, to small business enterprises in South Africa. It was estimated that loans provided by Get Ahead were creating or sustaining some 50 000 jobs each year as compared with 15 000 to 19 000 jobs in the formal sector of the economy.<sup>66</sup> [<sup>66</sup> *The Star* 16 February 1998]

In the financial year ending March 1998 Khula Enterprise Finance (Khula)—which was established in 1995 to provide financing to small, medium, and micro enterprises—provided loans and credit

guarantees valued at more than R200m compared with the R145m provided the previous year. According to the chairman of Khula, Mr Gideon Sam, R62m of the R200m had already been disbursed as business loans (compared with R57m in the previous year) and more than R126m had been committed in the form of credit guarantees (compared with R88m in the previous year). Khula did not deal in direct financing, but rather made loans to retail financial intermediaries who then provided loans to small entrepreneurs. Mr Sam said that business loans had been granted to more than 35 000 small businesses through 35 retail financial institutions in the financial year ending March 1998.<sup>67</sup> [<sup>67</sup> *Business Day* 18 November 1998]

The number of emerging contractors receiving loan guarantees from the National Urban Reconstruction and Housing Agency was increasing, according to the agency's executive director, Ms Nonhlanhla Mjoli-Mncube. By the end of August 1998, 48 established and 56 emerging contractors had received the agency's support. The agency was set up to encourage private sector involvement in housing delivery by sharing risk with financial institutions through loan guarantees. The agency also aimed to assist emerging contractors by offering bridging finance guarantees. According to Ms Mjoli-Mncube, established contractors were still the key to supplying houses on scale—for every house built by an emerging or community contractor, nine were built by established contractors. However, lower overheads and proximity to the construction site often meant that community contractors could build bigger houses with government subsidies.<sup>68</sup> [<sup>68</sup> *Ibid* 6 October 1998]

## Regulation of Finance

Debate surrounding regulation of the microlending industry continued during the period under review. This industry grants loans to people unable to obtain commercial bank loans. A study commissioned by Standard Bank found that about 35m South Africans had no access to formal banking.<sup>69</sup> [<sup>69</sup> *Sunday Times Business Times* 12 September 1999] The turnover of the more than 30 000 microlenders in South Africa was estimated at R15bn a year. Less than 2% of loans were used for business purposes—most loans were used to cover the cost of food, education, rent, transport, or to pay off debt. The average interest charged was about 30% a month, or 360% a year, compared with about 25% a year charged by commercial banks. Some 70% of customers returned for loan renewals, indicating that they were caught in a debt trap. Since 1993 the industry had been allowed to charge any interest on loans of up to R6 000, in terms of the exemption in the Usury Act of 1968.<sup>70</sup> [<sup>70</sup> *Sunday Times* 7 March 1999]

These loans (referred to as micro loans) are exempt from the provisions of the Usury Act of 1968, provided the lender registers with the relevant regulatory authority. Lenders who so register are subject to the provisions of a notice published in the *Government Gazette* in June 1999, which raised the micro loan ceiling from R6 000 to R10 000. The notice stipulated that the annual interest rate lenders would be permitted to charge may not exceed ten times the average prime overdraft lending rate. Lenders would also be prohibited from retaining customers' ATM cards and PIN codes as security and would have to allow a three-day 'cooling off' period for new contracts. Furthermore, loan terms would be restricted to 36 months.<sup>71</sup> [<sup>71</sup> Department of Trade and Industry, Notice in terms of Section 15(a) of the Usury Act, 1968 (Act No. 73 of

1968), no 713, *Government Gazette*, 1 June 1999 (vol 408)]

In July 1999 the Micro Finance Regulatory Council was approved by the Ministry of Trade and Industry as the regulatory authority of the microlending industry. Council members included the Department of Trade and Industry, the Association of Microlenders, the South African Reserve Bank, the Land and Agricultural Bank of South Africa, the National Housing Finance Corporation, the Alliance of Micro Enterprise Development Practitioners, Khula Enterprise Finance, the Legal Resources Council, and the Housing Consumer Protection Trust.<sup>72</sup> [<sup>72</sup> *Sunday Times* 7 March 1999, *Business Day* 22 July 1999] Microlenders who registered with the council by 15th September 1999 would be obliged to comply with the notice published in the *Gazette* and would operate within the council's rules. Those lenders who registered with the council would be exempt from the maximum interest rate stipulated in terms of the Usury Act (but still limited to ten times the average prime overdraft rate).<sup>73</sup> [<sup>73</sup> *Business Day* 22 July 1999; Department of Trade and Industry, Notice in terms of Section 15(a) of the Usury Act, 1968 (Act No. 73 of 1968), no 713, *Government Gazette*, 1 June 1999 (vol 408)]

In September 1999 the Transvaal Provincial Division of the High Court upheld a provision in the notice which stipulated that microlenders must register with the council. The case was brought against the Department of Trade and Industry and the council by the Association of Microlenders and 49 others. A second court case, set for October 1999, would determine whether the cap on interest rates and the ban on keeping ATM cards or identity documents as security was enforceable.<sup>74</sup> [<sup>74</sup> Telephonic interview with Ms Bertha Dlamini, Micro Finance Regulatory Council, 8 October 1999]

## CRIMINAL BUSINESS

There were 192 syndicates operating in South Africa with a combined figure of 1 903 primary suspects, according to a report published by the South African Police Service in July 1997 (the latest date for which such information is available). Most of the syndicates operational in South Africa specialised in commercial crime, drug-trafficking, vehicle-related crime, or a combination of these crimes. While the activities of most of the syndicates were restricted to sub-Saharan Africa, the report noted that some 32 were known to operate internationally.<sup>75</sup> [<sup>75</sup> South African Police Service, *Report on the Incidence of Serious Crime: January to March 1997*, 13 June 1997]

The report also identified some 500 target groups which were classified as being organised crime groups which were under investigation, but whose structure and activities had not been fully identified (see also 1997/98 Survey, p39).

According to the minister for safety and security, Mr Sydney Mufamadi, international organised crime yielded an estimated annual turnover of R9.3 trillion, with the profits from illegal drug trading exceeding the gross domestic product (GDP) of the African continent.<sup>76</sup> [<sup>76</sup> *The Citizen* 7 August 1998] Professor Deon Rossouw of Rand Afrikaans University estimated that the annual turnover of organised crime represented some 2% of global GDP, while the proceeds from fraud exceeded the GDP of most of the

170 countries worldwide (see also chapter on *Security*).<sup>77</sup> [<sup>77</sup> Ibid 2 December 1998]

## DIARY OF EVENTS

### JUNE 1998

- Mr Ferdi Barnard, a former policeman and member of the Civil Co-operation Bureau, was found guilty of two murders by Mr Justice Johan Els in the Transvaal Provincial Division of the High Court. These included the assassination of Dr David Webster (who had been a prominent opponent of the previous government) in May 1989.<sup>1</sup> [<sup>1</sup> *Financial Mail*, *The Citizen* 5 June 1998]
- The Department of Education said that universities and technikons had to pay some R3m to repair damage to campus property as a result of rioting by students over the preceding two years.<sup>2</sup> [<sup>2</sup> Institute for Futures Research, University of Stellenbosch, *Friday at Noon*, 12 June 1998]
- It was announced that South Africa's first national lottery would be jointly owned by a private lottery operator, the Post Office, and the government's National Empowerment Fund, in a ratio of 80:15:5. The contract for the private operator was awarded to the Uthingo consortium in July 1999.<sup>3</sup> [<sup>3</sup> Ibid; *The Citizen* 19 July 1999]
- The Water Research Commission said that the quality of water in many dams and lakes in urban areas was substandard, which could cause health problems. Municipalities often had inadequate funds and understanding of the problem to combat it effectively.<sup>4</sup> [<sup>4</sup> Institute for Futures Research, *Friday at Noon*, 19 June 1998]
- The national working committee of the African National Congress (ANC) said that a decision about the location of Parliament (whether or not it should remain in Cape Town) should be delayed for ten years.<sup>5</sup> [<sup>5</sup> *Financial Mail* 26 June 1998]
- The National Assembly approved a bill that would turn Eskom into a tapaying enterprise, preparing it for privatisation. The act was eventually assented to by the president, Mr Nelson Mandela, on 24th November 1998.<sup>6</sup> [<sup>6</sup> Eskom Amendment Act, no 126 of 1998; *Financial Mail* 19, 26 June 1998]
- Mr Thabo Mbeki, the deputy president of South Africa and leader of the ANC, asked a meeting of the central committee of the Congress of South African Trade Unions (Cosatu) if the tripartite alliance should continue to exist. He posed this question in view of attacks made by Cosatu on the government's macro-economic plan, *Growth, Employment and Redistribution (Gear)*.<sup>7</sup> [<sup>7</sup> Institute for Futures Research, *Friday at Noon*, 26 June 1998]

- Mr Mluleki George MP (ANC), called on his party's supporters to defend democracy, even if this entailed taking up arms.<sup>8</sup> [<sup>8</sup> *Finance Week* 25 June 1999]

## JULY 1998

- Mr Mandela and Mr Mbeki rebuked the South African Communist Party (SACP) for its criticism of *Gear*.<sup>9</sup> [<sup>9</sup> Institute for Futures Research, *Friday at Noon*, 3 July 1998]
- The minister of labour, Mr Tito Mboweni, was named as successor to Dr Chris Stals as governor of the South African Reserve Bank, upon Dr Stals's retirement, due in August 1999.<sup>10</sup> [<sup>10</sup> *Ibid*, 10 July 1998; *The Citizen* 15, 27 July 1998]
- Cosatu said that it would claim a levy from its members to help the ANC to finance its campaign in the 1999 general election.<sup>11</sup> [<sup>11</sup> *Finance Week* 9 July 1998]
- Dr Blade Nzimande, chairman of the parliamentary education portfolio committee, was elected secretary general of the SACP.<sup>12</sup> [<sup>12</sup> *Financial Mail* 10 July 1998]
- The Transvaal High Court ruled that South Africa's abortion laws did not violate the constitutional guarantee of the right to life.<sup>13</sup> [<sup>13</sup> *Finance Week* 16 July 1998]
- Mr Mandela ordered the release of some 9 000 prisoners who were deemed to pose little threat to society, to celebrate his 80th birthday. It was estimated that releasing these prisoners would save the Department of Correctional Services some R675 000 a day.<sup>14</sup> [<sup>14</sup> Institute for Futures Research, *Friday at Noon*, 24 July 1998]
- Mr Bulelani Ngcuka, deputy chairman in the National Council of Provinces, was named national director of public prosecutions.<sup>15</sup> [<sup>15</sup> *Financial Mail* 24 July 1998]
- A former minister of law and order, Mr Adriaan Vlok, accepted responsibility before the Truth and Reconciliation Commission (TRC) for state-sanctioned illegal police actions under the previous government. He claimed that the former state president, Mr P W Botha, ordered the bombing of the headquarters of the South African Council of Churches (Khotso House) in 1988, and that Mr F W de Klerk, the last state president before the general election in 1994, had known about 'dirty tricks'. Mr Botha denied having given such an order.<sup>16</sup> [<sup>16</sup> *Ibid* 31 July 1998] Mr de Klerk said that he had never denied having been aware of covert and unconventional operations, but denied having been aware of 'gross violations of human rights', such as murder, rape, and torture.<sup>17</sup> [<sup>17</sup> *The Citizen* 3 August 1999]
- The government sold a 4.2% stake in the Airports Company South Africa to six black business groups

for some R172m.<sup>18</sup> [<sup>18</sup> *Financial Mail* 31 July 1998]

- The minister of correctional services, Dr Sipo Mzimela, resigned from the cabinet. Press reports stated that he was on the verge of dismissal, having antagonised the Inkatha Freedom Party (IFP) through, for example, calling for a merger of the IFP and ANC. He was replaced by another IFP member, Mr Ben Skosana.<sup>19</sup> [<sup>19</sup> *The Star* 31 July 1998, *The Citizen* 1 August 1998, *Finance Week* 6 August 1998]

## AUGUST 1998

- The Freedom Front said that recent murders of farmers were ‘strongly reminiscent of revolutionary terrorism’.<sup>20</sup> [<sup>20</sup> *Finance Week* 6 August 1998] Later in the month, the KwZulu-Natal Agricultural Union announced that its members would not pay their taxes, in protest against attacks on farmers.<sup>21</sup> [<sup>21</sup> *Ibid* 13 August 1998]

- Both employers and unions in the tobacco industry expressed disapproval of proposed laws which would ban the advertising of tobacco products and severely curtail the right of people to smoke in public places.<sup>22</sup> [<sup>22</sup> *Ibid* 6 August 1998]

- Mr Mbeki said that Africa must ‘rebel’ against instability and corruption in the continent.<sup>23</sup> [<sup>23</sup> *Ibid*]

- The National Party (NP) published a report which found that corruption in the public sector (excluding local government) amounted to between R21.7bn and R36.6bn in the period July 1994 to June 1997.<sup>24</sup> [<sup>24</sup> Institute for Futures Research, *Friday at Noon*, 7 August 1998]

- Parliament declined to authorise the expenditure of some R10.5m which had been used by the Department of Health to finance a controversial AIDawareness play, Sarafina II. The standing committee on public accounts said that proper rules and procedures had been ignored by those responsible for this initiative.<sup>25</sup> [<sup>25</sup> *The Star* 6 August 1999; Institute for Futures Research, *Friday at Noon*, 7 August 1998]

- Statistics South Africa (Stats SA) adopted a new official definition of unemployment. Previously, a person was regarded as ‘unemployed’ if he had been without work at least for a few days and was willing and able to start working at short notice (the ‘expanded definition’). The new ‘strict’ definition of unemployment included a further qualification: that the person must actively have sought employment or taken steps to provide himself with an alternative, such as self-employment. In terms of the new definition, South Africa’s unemployment rate was 22.9%. Under the ‘expanded’ definition it was 37.6%.<sup>26</sup> [<sup>26</sup> *Ibid*, 14 August 1998]

- In view of continuing violence in Richmond (KwaZulu-Natal), the national commissioner of police, Commissioner George Fivaz, ordered the closure of the local police station. He said that this action was taken in view of the level of violence in the area, the inability of the local police force to combat it, and



the loss of confidence in police personnel by some people in Richmond. He added that the closure of the station should not be seen as 'punitive action' against any police personnel.<sup>27</sup> [<sup>27</sup> *Finance Week* 13 August 1998]

- The leader of the NP in Gauteng, Mr Sam de Beer, defected to the United Democratic Movement (UDM).<sup>28</sup> [<sup>28</sup> *Ibid* 20 August 1998]
- A report by the South African National Defence Force said that large numbers of weapons, whose exact location could not be determined, were circulating in the defence force. Owing to inadequate storage facilities and bad oversight, these weapons could ultimately be used in crime.<sup>29</sup> [<sup>29</sup> Institute for Futures Research, *Friday at Noon*, 21 August 1998]
- A multiparty parliamentary committee recommended that the minister of minerals and energy, Mr Penuell Maduna, should withdraw remarks which he had made about the auditor general, Mr Henri Kluever. In June 1997 Mr Maduna suggested that Mr Kluever had helped to conceal the theft of R170m from the Strategic Fuel Fund.<sup>30</sup> [<sup>30</sup> *Ibid*] On 7th October Mr Maduna apologised 'unreservedly' to Mr Kluever for having said that the latter had failed to reveal the R170m loss.<sup>31</sup> [<sup>31</sup> *Financial Mail* 16 October 1998]
- The South African Revenue Service announced that it had evaluated some 550 000 businesses and individuals in its campaign to combat tax evasion. Some 26% of income tax payments, as well as 20% of VAT and PAYE payments, were found to be in arrears.<sup>32</sup> [<sup>32</sup> Institute for Futures Research, *Friday at Noon*, 21 August 1998]
- A bomb blast in a restaurant in Cape Town, Planet Hollywood, killed one person and injured a further 28. A group named Muslims against Global Oppression claimed responsibility for the attack, and said that it was in retaliation for missile strikes by the United States on targets in Afghanistan and Sudan.<sup>33</sup> [<sup>33</sup> *Ibid*, 28 August 1998]

## SEPTEMBER 1998

- The National Union of Metalworkers of South Africa (Numsa) announced that it would call out its 220 000 members in a one-day secondary strike in support of some 60 000 employees in the motor industry (such as attendants in petrol stations), who were embarking on a strike over wages. This would be the first such action under the Labour Relations Act of 1995. Numsa said that 100% of its members participated in the primary and secondary strikes.<sup>34</sup> [<sup>34</sup> *Business Day* 1 September 1999, *The Star Business Report* 2 September 1999] The primary strike lasted for some five weeks, during which there was another secondary strike. The primary strike was ended in October 1998 after members of Numsa ratified an agreement which included an 8.5% pay increase.<sup>35</sup> [<sup>35</sup> *Business Day* 25 September 1999, *Financial Mail* 9 October 1998]

- The president of Cuba, Mr Fidel Castro, addressed Parliament while on a state visit to South Africa. The Democratic Party (DP) and the Freedom Front (FF) boycotted the address, inter alia, in protest against Cuba's poor human rights record. The ANC said that Mr Castro was a most appropriate person to address the South African Parliament—Cuba had played an important role in South Africa's struggle, and the address gave South Africa an opportunity to thank Cuba for it.<sup>36</sup> [<sup>36</sup> *Die Burger* 28 August 1999]
- South Africa assumed the chairmanship of the Non-Aligned Movement.<sup>37</sup> [<sup>37</sup> Institute for Futures Research, *Friday at Noon*, 4 September 1998]
- The International Monetary Fund (IMF) criticised the government for not adequately implementing *Gear*.<sup>38</sup> [<sup>38</sup> *Ibid*]
- The chief executive officer of the South African National Roads Board, Mr Nazir Ali, said that South Africa had a R4bn backlog in its primary, secondary, and rural roads. Some 90% of the country's passengers and freight were transported by road, but the government provided sufficient funds only for some 60% of road maintenance needs.<sup>39</sup> [<sup>39</sup> *Ibid*]
- Moving South Africa, the government's transport strategy for the next 20 years, was made public on 7th September 1998. The plan proposed the establishment of 'transport corridors'—these being routes along which large volumes of traffic would move, linked to residential and commercial development, so that infrastructure would be optimally utilised.<sup>40</sup> [<sup>40</sup> *Sunday Times Business Times* 6 September 1998, *Business Day* 8 September 1998]
- South Africa's first privately owned, public-access television channel, e.tv, began broadcasting its test-signal in preparation for programme broadcasts later in the year.<sup>41</sup> [<sup>41</sup> *The Star* 8 September 1998]
- The National Party relaunched its colours and insignia, and changed its name to 'New National Party'.<sup>42</sup> [<sup>42</sup> *Finance Week* 10 September 1998]
- Mr Mac Maharaj, the minister of transport, said that there was sufficient evidence to prove that motorists were more likely to be involved in traffic accidents while driving and using cellular telephones to warrant a ban on their use while driving. At the time of writing, consultations with the provincial departments of transport with a view to introducing restrictions on the use of cellphones were underway.<sup>43</sup> [<sup>43</sup> Institute for Futures Research, *Friday at Noon*, 11 September 1998; *Financial Mail* 2 October 1998; Telephonic interview with Mr Michael Mabasa, spokesman for the minister of transport, 11 November 1999]
- The minister of finance, Mr Trevor Manuel, said that there was a need for tighter regulation and disclosure of speculative capital flows to emerging markets. The director general of finance, Ms Maria Ramos, said however, that the government would not reintroduce exchange controls.<sup>44</sup> [<sup>44</sup> Institute for Futures Research, *Friday at Noon*, 18 September 1998]

- Some 15% of civil servants were HIV positive, according to information presented at a conference on AIDS.<sup>45</sup> [<sup>45</sup> *Financial Mail* 18 September 1998]
- A job creation project, which would cost some R1bn, was launched by South African business. It would focus on job creation through tourism and improvements to education.<sup>46</sup> [<sup>46</sup> Institute for Futures Research, *Friday at Noon*, 18 September 1998]
- Soldiers from South Africa and Botswana, operating under the mantle of the Southern African Development Community (SADC), were deployed in Lesotho, seeking to protect the government of the country in the wake of widespread disturbances. These disturbances occurred after the results of Lesotho's election were contested by opposition parties.<sup>47</sup> [<sup>47</sup> *Financial Mail* 2 October 1998]

## OCTOBER 1998

- The former president of the South African Rugby Football Union (Sarfu), Dr Louis Luyt, announced that he would be forming a political party, the Federal Alliance, to contest the 1999 general election.<sup>48</sup> [<sup>48</sup> Institute for Futures Research, *Friday at Noon*, 2 October 1998]
- The Supreme Court of Appeal ruled that journalists who published false or defamatory information would not be held liable for defamation if they could prove that their stories were reasonable, thorough, and not negligent. This arose from a court case between *City Press* and a lawyer from Johannesburg, who claimed that the newspaper had libelled him. *City Press* had alleged that the auditor general was investigating the lawyer, and that he had defrauded some of his clients as well as the Road Accident Fund.<sup>49</sup> [<sup>49</sup> *Die Burger* 5 October 1998, *Financial Mail* 9 October 1998]
- Mr Justice Vuka Tshabalala was appointed deputy judge president of the Natal Provincial Division of the High Court. Prior to his appointment, 14 High Court judges made a submission to the Judicial Service Commission saying that Mr Justice Willem Booysen was the most suitable candidate for the position and that Judge Tshabalala did not have the necessary experience to command the support of the judiciary. After Judge Tshabalala's appointment, a number of the objecting judges retracted this statement.<sup>50</sup> [<sup>50</sup> *The Citizen* 15 October 1998]
- Mr Justice Willem Heath, head of a special investigating unit which probed corruption in the state, appealed to the government not to undermine the non-partisan character of his unit. He had earlier stated that his unit saved the government some R10bn from the beginning of its operations to the end of 1997.<sup>51</sup> [<sup>51</sup> Institute for Futures Research, *Friday at Noon*, 9 October 1998; Fast Facts No10 1999]
- A discussion document published by the ANC called for the government's economic policy to be reviewed in such areas as the target for reduction of the fiscal deficit and privatisation. The document

also said that all ‘levers of power’ in the state—such as the army, police, and the judiciary—should be controlled by the ‘National Liberation Movement’.<sup>52</sup> [<sup>52</sup> Institute for Futures Research, *Friday at Noon*, 16 October 1998]

- The Transvaal High Court ordered the minister of health, Dr Nkosazana Zuma, to lift restrictions on 11 doctors with foreign qualifications, to enable them to practise privately.<sup>53</sup> [<sup>53</sup> *Financial Mail* 16 October 1998]
- Students at universities and technikons were in arrears of some R600m in tuition and residence fees in 1997, according to Professor Sibusiso Bengu, the minister of education.<sup>54</sup> [<sup>54</sup> *Ibid*]
- Ms Helen Suzman, a former MP (DP), resigned from the South African Human Rights Commission. There was much speculation that she felt disillusioned with the commission.<sup>55</sup> [<sup>55</sup> *Ibid*]
- A police report showed that 1 149 suspects were involved in attacks on farms in 1997, and that in only 10% of cases were the suspects current or past employees of their victims.<sup>56</sup> [<sup>56</sup> Institute for Futures Research, *Friday at Noon*, 16 October 1998]
- Nearly 50% of deaths of members of the South African Police Union (Sapu) over the preceding year were related to HIV/AIDS, a spokesman for the union said.<sup>57</sup> [<sup>57</sup> *Ibid*]
- Mr Mandela called for a moral renewal of South Africa at a ‘morals summit’. He said that strong morality was important for South Africa’s social transformation, and that some members of the former liberation movement had themselves become corrupt.<sup>58</sup> [<sup>58</sup> *Ibid*, 23 October 1998]
- Mr Maduna released a white paper on minerals and mining policy. It would make the state the owner of unexploited mineral rights, and would encourage the involvement in mining of companies owned by black people.<sup>59</sup> [<sup>59</sup> *Ibid*]
- The Anglo American Corporation of South Africa announced that it would move its primary listing and head office to London early in 1999. The move would help it to gain more ready access to capital on international markets.<sup>60</sup> [<sup>60</sup> *Ibid*] The corporation listed on the London Stock Exchange on 24th May 1999.
- The minister of trade and industry, Mr Alec Erwin, said that certain ‘carefully considered adjustments’ to *Gear* would be necessary to respond to the problems posed by the global financial crisis and inadequate job creation. He said that these would not compromise *Gear*’s long-term objectives.<sup>61</sup> [<sup>61</sup> *Financial Mail* 23 October 1998]
- The TRC published a five-volume report, after having been ordered to remove a section which dealt with the culpability of a former state president, Mr F W de Klerk, and after an unsuccessful court

challenge by the ANC. It made findings on a wide range of organisations and individuals, implicating inter alia the former government, the IFP, and the ANC, as well as Ms Winnie Madikizela-Mandela, Chief Mangosuthu Buthelezi, and Mr P W Botha in gross violations of human rights.<sup>62</sup> [62 Institute for Futures Research, *Friday at Noon*, 30 October 1998] Chief Buthelezi said that he had ‘no blood on either [his] hands or [his] conscience’; Mr Botha said that the commission based the report on the ‘preconceived’ opinions of its authors; and the ANC said that it could not accept the report’s ‘misrepresentation’ of itself and the struggle.<sup>63</sup> [63 *The Star* 29 October 1999, *The Natal Witness* 2 November 1999, *The Citizen* 16 November 1999]

- A ‘jobs summit’ was held on 30th October 1998. The summit attempted to bring together representatives of business, labour, and the government to discuss solutions to South Africa’s unemployment problem.<sup>64</sup> [64 Institute for Futures Research, *Friday at Noon*, 30 October 1998]
- Nine South African soldiers were found guilty, at courts-martial, of offences during South Africa’s intervention in Lesotho.<sup>65</sup> [65 *Financial Mail* 30 October 1998]
- An attempt by the South African Chamber of Business to prevent the Medical Schemes Bill from being passed was rejected by the Cape Provincial Division of the High Court.<sup>66</sup> [66 *Ibid*]

## NOVEMBER 1998

- The chairman of the TRC, Archbishop Desmond Tutu, said that there was a need to monitor and criticise the actions of the government. He was reacting to an attempt by the ANC to obstruct the release of the report of the TRC, which held the ANC liable for several instances of human rights violations.<sup>67</sup> [67 Institute for Futures Research, *Friday at Noon*, 6 November 1998]
- The Department of Correctional Services announced that privileges in South African prisons would be curtailed—including restricting prisoners’ rights to possess certain luxury items such as cellular telephones and microwave ovens. The minister of correctional services, Mr Ben Skosana, said that the belief existed in South Africa that prisoners had more privileges than ordinary citizens.<sup>68</sup> [68 *The Citizen* 4 November 1999]
- The South African Revenue Service said that the fiscus was losing some R100m a month as a result of smuggling and tax evasion.<sup>69</sup> [69 Institute for Futures Research, *Friday at Noon*, 6 November 1998]
- The Johannesburg Stock Exchange announced that it planned to move from the city centre of Johannesburg to Sandton. It was feared that the move could exacerbate the problem of ‘inner city decay’.<sup>70</sup> [70 *Ibid*; *Financial Mail* 6 November 1998]
- Mr Tim McNally, the attorney general of KwaZulu-Natal, was removed from his position by Mr

Bulelani Ngcuka, the national director of public prosecutions. Mr Ngcuka said that the reason for this was a perception that Mr McNally 'lacked credibility'.<sup>71</sup> [<sup>71</sup> *Financial Mail* 6 November 1998]

- Some 2.8m working days were lost to strike action in 1998, a fourfold increase on 1997, according to a report by the International Labour Organisation. Mr Membathisi Mdladlana, the minister of labour, said that while strikes had increased in 1998, they were still below pre-1994 levels.<sup>72</sup> [<sup>72</sup> Institute for Futures Research, *Friday at Noon*, 13 November 1998]
- The Department of Education and the three major education unions reached agreement on the redeployment of teachers to schools which had shortages. Provincial departments would determine the staff complement of each school based on pupil numbers and curriculum needs.<sup>73</sup> [<sup>73</sup> *Business Day* 17 February 1999]
- The South African Bitumen and Tar Association said that the government should consider allocating more funds for the maintenance and construction of roads. Poor road conditions were costing the country some R1bn per year in respect of accidents and the rehabilitation of roads.<sup>74</sup> [<sup>74</sup> Institute for Futures Research, *Friday at Noon*, 13 November 1998]
- The deputy director of public prosecutions, Dr Jan D'Oliveira, said that prosecutions of people implicated in crimes in the report of the TRC would take some six years to complete (the TRC had estimated that it would take two years). He argued that justice demanded that such prosecutions take place.<sup>75</sup> [<sup>75</sup> *Finance Week* 13 November 1998]
- The Department of Education announced that school examinations would be replaced by a system of ongoing assessment of pupils' progress.<sup>76</sup> [<sup>76</sup> *Ibid*]
- The deputy leader of the DP and a member of the National Council of Provinces (NCOP), Mr William Mnisi, defected to the NNP.<sup>77</sup> [<sup>77</sup> *Ibid*] His seat in the NCOP was taken by a former chairman of the Land Claims Commission, Mr Joe Seremane.<sup>78</sup> [<sup>78</sup> *Financial Mail* 27 November 1998]
- Mr Maharaj announced his intended retirement as an MP after the 1999 general election.<sup>79</sup> [<sup>79</sup> *Ibid*]
- The government announced that it would spend some R29bn over 15 to 20 years on military hardware, including corvettes, helicopters, and submarines. South Africa would benefit through investment that the purchases would bring. The government said that over a period of seven to eight years, South Africa would receive some R26bn from inward foreign investment, R56bn from exports, and R25bn from local sales.<sup>80</sup> [<sup>80</sup> Institute for Futures Research, *Friday at Noon*, 20 November 1998; *The Citizen* 20 November 1998] In September 1999 the cabinet approved a revised arms purchase and investment package valued at some R21bn over the following eight years, with options on an additional R8.5bn worth of equipment, to be exercised by

2004.<sup>81</sup> [<sup>81</sup> *The Star* 16 September 1999]

- The South African Human Rights Commission announced that it would launch an investigation into racism in the media as a whole, following a complaint by organisations representing black professionals about alleged ‘subliminal racism’ in two newspapers.<sup>82</sup> [<sup>82</sup> *Finance Week* 20 November 1998]

## DECEMBER 1998

- The ANC reacted angrily to a confidential letter sent by the executive director of the Institute for Democracy in South Africa, Dr Wilmot James, to donors. The letter said that under Mr Mbeki’s presidency, governance in South Africa would be ‘tougher’ and ‘more obscure’, and would require closer monitoring. Dr James said that he would have expressed himself differently if he had thought that the letter would be made public.<sup>83</sup> [<sup>83</sup> *Ibid* 4 December 1998]
- Professor Bengu and Mr Joe Modise, the minister of defence, announced that they would retire from politics after the 1999 general election.<sup>84</sup> [<sup>84</sup> *Ibid*]
- Researchers from the University of the Witwatersrand announced that they had discovered the skeleton of an ‘ape man’, which was estimated to be some 3.5m years old, near the Sterkfontein caves (North West).<sup>85</sup> [<sup>85</sup> *Ibid* 18 December 1998]
- The ANC announced that it intended to implement legislation which would mandate the selection of sports teams to ensure that black players were included.<sup>86</sup> [<sup>86</sup> *Ibid*]

## JANUARY 1999

- Muslim organisations protested against a film, *The Siege*, which they said depicted Muslims as terrorists. Some cinemas cancelled screenings of the film.<sup>87</sup> [<sup>87</sup> *Beeld* 14 January 1999]
- South Africa’s first satellite, named Sunsat, was launched on 15th January 1999. It was constructed primarily by postgraduate students from the University of Stellenbosch, and was equipped to take high resolution images of the earth, and to conduct atmospheric mapping.<sup>88</sup> [<sup>88</sup> Institute for Futures Research, *Friday at Noon*, 15 January 1999]
- South African pupils scored the lowest marks of 40 countries surveyed in the Third International Maths and Science Study.<sup>89</sup> [<sup>89</sup> *Financial Mail* 22 January 1999]
- Mr Sifiso Nkabinde, a former member of the ANC, and subsequently secretary general of the UDM, was murdered in Richmond on 23rd January 1999. A further 11 people were killed that night in what

were widely viewed as revenge killings.<sup>90</sup> [<sup>90</sup> Ibid 29 January 1999] In August and September 1999, 12 people were arrested in connection with the murder. Nine of the accused faced charges such as murder, attempted murder, and conspiracy to commit murder, while three were charged with being accessories after the fact, alternatively attempting to obstruct the course of justice. Among the accused were an ANC councillor, a traffic officer, a member of the VIP protection unit of the SAPS, and Mr Nkabinde's former bodyguard.<sup>91</sup> [<sup>91</sup> *The Citizen* 22 September 1999]

- Mr Justice Johann Kriegler, chairman of the Independent Electoral Commission (IEC), resigned from the commission, saying that he had serious disagreements with the government over the issue of the commission's independence.<sup>92</sup> [<sup>92</sup> Ibid 21 January 1999]

- In 1997, 11 900 people were killed by firearms, while 78 330 were injured, according to Gun Free South Africa.<sup>93</sup> [<sup>93</sup> Institute for Futures Research, *Friday at Noon*, 22 January 1999]

- On 28th January 1999 a bomb exploded outside police headquarters in Cape Town. The police believed that this was the latest in a series of some 700 gang-related incidents over the past year.<sup>94</sup> [<sup>94</sup> Ibid, 29 January 1999]

## **FEBRUARY 1999**

- Mr Mandela opened Parliament for the last time on 5th February 1999.<sup>95</sup> [<sup>95</sup> Ibid, 5 February 1999]

- A controversy ensued over the appointment of Mr Ramesh Vassen as consul general to Mumbai, India. Mr Vassen was an attorney who was struck from the roll after numerous instances of misconduct.<sup>96</sup> [<sup>96</sup> Ibid] He declined the appointment shortly before he was due to depart for his new posting.<sup>97</sup> [<sup>97</sup> *Financial Mail* 12 February 1999]

- Dr Ben Ngubane, premier of KwaZulu-Natal, stepped down from that position.<sup>98</sup> [<sup>98</sup> Institute for Futures Research, *Friday at Noon*, 5 February 1999] He was replaced by another IFP member, Mr Lionel Mtshali. Dr Ngubane took over Mr Mtshali's position as minister of arts, culture, science, and technology in the cabinet.

- South Africa would need some \$30bn over the next five to ten years in order to provide all South Africans with basic amenities such as water, electricity, and healthcare, according to the International Finance Corporation.<sup>99</sup> [<sup>99</sup> Ibid, 12 February 1999]

- Some 6m tourists visited South Africa in 1998. The tourism industry provided some 737 000 jobs, generated R53bn in revenue, and accounted for 8.2% of the country's gross domestic product.<sup>100</sup> [<sup>100</sup> Ibid]



- Mr Manuel said that he expected that some R4.9bn would be released into the economy as a result of a cut in the corporate tax rate from 35% to 30%, as well as tax relief for lower income earners.<sup>101</sup> [<sup>101</sup> Ibid, 19 February 1999]
- Mr Cyril Ramaphosa, a former secretary general of the ANC and deputy chairman of New Africa Investments Ltd (Nail), resigned from Nail. There was some speculation about the reasons for his departure. These included pressure from the deputy president, Mr Thabo Mbeki, who allegedly regarded Mr Ramaphosa as a political threat, and dissatisfaction with Mr Ramaphosa's performance on the part of his colleagues at Nail. Mr Ramaphosa did not comment on the matter.<sup>102</sup> [<sup>102</sup> *City Press* 21 February 1999, *Business Day* 22 February 1999]
- Mr Patrick Lekota, chairman of the NCOP, criticised ministers who had failed to attend the first sitting of the council in 1999.<sup>103</sup> [<sup>103</sup> Institute for Futures Research, *Friday at Noon*, 26 February 1999]

## MARCH 1999

- Professor Bengu admitted that the 1998 matric pass rate in Mpumalanga (which had risen some 20% over the 1997 pass rate) had been 'tampered with'.<sup>104</sup> [<sup>104</sup> *Financial Mail* 5 March 1999]
- The IFP expelled Dr Sipo Mzimela, formerly minister of correctional services, from the party. He subsequently joined the UDM.<sup>105</sup> [<sup>105</sup> Ibid]
- Mr Modise said that some 250 000 firearms stored by the Department of Defence would be destroyed by the end of the year.<sup>106</sup> [<sup>106</sup> Ibid]
- Mr Walter Felgate, a former member of the IFP who defected to the ANC, was attacked by men wearing IFP insignia.<sup>107</sup> [<sup>107</sup> Ibid 12 March 1999]
- The government announced that it would spend some R50m upgrading the skills of the country's 112 000 underqualified teachers.<sup>108</sup> [<sup>108</sup> Institute for Futures Research, *Friday at Noon*, 12 March 1999]
- The government planned to compel financial institutions to make full disclosures of their home loan operations. This would prevent them from discriminating against lower-income clients.<sup>109</sup> [<sup>109</sup> Ibid]
- The cabinet approved plans to establish industrial development zones, in which businesses would be encouraged and given incentives to invest. A task team would draft guidelines for the zones.<sup>110</sup> [<sup>110</sup> Ibid, 19 March 1999]
- The parliamentary committee on trade and industry recommended that the government should exert influence on the country's banks to compel them to provide 'affordable' services to poorer people. The

government should also consider withdrawing its accounts from institutions which did not do this.<sup>111</sup> [111 Ibid]

- The South African Police Service said that nearly 34 000 reported crimes were committed against children in the first 11 months of 1998.<sup>112</sup> [<sup>112</sup> *Finance Week* 19 March 1999]
- The minister of housing, Ms Sankie Mthembu-Mahanyele, said that nearly 400 000 of the 600 000 houses built with the help of state subsidies were substandard.<sup>113</sup> [<sup>113</sup> Ibid]
- Mr Mdladlana announced that he planned to introduce a minimum wage for domestic workers and agricultural labourers. He also wanted to amend the Labour Relations Act of 1995 to make negotiations around retrenchments compulsory.<sup>114</sup> [<sup>114</sup> Ibid]
- Dr Allan Boesak, a cleric, political activist, and high-ranking ANC member, was convicted on several counts of fraud and theft. The charges related to an organisation that Dr Boesak had run, the Foundation for Peace and Justice, where he had embezzled funds donated to help victims of apartheid.<sup>115</sup> [<sup>115</sup> Institute for Futures Research, *Friday at Noon*, 19 March 1999]
- Mr Nicholas Steyn, the owner of a smallholding near Benoni (Gauteng), was convicted of culpable homicide and sentenced to five years in prison, suspended for three years, in the Delmas Circuit Court for the accidental shooting of a six-month old black child. There was much anger about the alleged leniency of sentence, as the shooting had been widely portrayed as a racial incident.<sup>116</sup> [<sup>116</sup> *The Citizen* 24 March 1999] The judge president of the Transvaal, Mr Justice Bernard Ngoepe, said that while such cases could be expected to attract comment and debate, ‘uninformed criticism’ and ‘unwarranted attacks’ on the judiciary were not acceptable.<sup>117</sup> [<sup>117</sup> Ibid 27 March 1999]
- The European Union (EU) agreed to a free trade deal with South Africa, the first such deal between the EU and a developing country. The deal was expected to add 1% to South Africa’s gross domestic product over the following five years. Some 95% of South African exports would be allowed into EU markets over a ten-year period, while barriers to 86% of EU exports would be removed over a 12-year period.<sup>118</sup> [<sup>118</sup> Institute for Futures Research, *Friday at Noon*, 26 March 1999]
- Ms Winnie Madikizela-Mandela was reported by the *Sowetan* to have said that white farmers were killing one another to create the impression that black people were responsible.<sup>119</sup> [<sup>119</sup> Ibid]
- The Supreme Court of Mozambique withdrew a number of charges, including arms smuggling, which had been laid against Mr Robert McBride in 1998. Mr McBride, a senior official in the Department of Foreign Affairs, and a former member of the ANC’s armed wing, Umkhonto we Sizwe (Umkhonto), was arrested and incarcerated in Mozambique in early 1998. He claimed that he had been investigating arms trafficking on his own initiative.<sup>120</sup> [<sup>120</sup> *Southern Africa Report* 1 April 1999, vol 17 no 14, pp3–4]

## APRIL 1999

- An amnesty bid before the TRC by Mr Clive Derby-Lewis and Mr Janusz Walus failed. The two men had been imprisoned for the murder of Mr Chris Hani, a former commander of Umkhonto and prominent member of the SACP. The ANC and SACP expressed satisfaction at the ruling, but the Conservative Party, FF, and NNP felt that it was evidence of bias on the part of the TRC.<sup>121</sup> [<sup>121</sup> Ibid]
- Kopano ke Matla, the investment wing of Cosatu, missed its deadline to pay R93m for the purchase of Aventura, a state-owned leisure resort company. The government consequently cancelled the deal.<sup>122</sup> [<sup>122</sup> Institute for Futures Research, *Friday at Noon*, 9 April 1999; *Business Day* 16 April 1999]
- Mr Mandela and Mr Mbeki said that crime and corruption were the central issues in the forthcoming election.<sup>123</sup> [<sup>123</sup> Ibid, 16 April 1999]
- The Cape High Court ruled that the Prevention of Organised Crime Act of 1998 contained no provisions which would allow for the seizure of assets which were acquired, even illegally, before the act was passed. The seized property of an alleged ‘drug lord’ was returned to him on the strength of this ruling.<sup>124</sup> [<sup>124</sup> Ibid]
- The Constitutional Court ruled that eligible voters would not be disenfranchised by the requirement that they had to possess barcoded IDs in order to vote. Ms Justice Kate O’Reagan said, in a dissenting judgement, that the bacode provision ‘betrays a disregard for the importance of the right to vote’.<sup>125</sup> [<sup>125</sup> Ibid]
- The government instructed the Employment Conditions Commission to investigate the setting of minimum wages for various sectors of the economy, including agriculture and domestic service. The minister of agriculture and land affairs, Mr Derek Hanekom, said that a minimum wage in the agricultural sector would help to promote stable labour relations on farms, but said that the level at which minimum wages would be set still had to be agreed on. Farmers warned that they would consider mechanising and retrenching employees if a minimum wage was introduced.<sup>126</sup> [<sup>126</sup> Ibid; *The Citizen* 15 April 1999, *The Star* 19 April 1999]
- Mr Justice Edwin Cameron said in an interview before the Judicial Service Commission for a position at the Constitutional Court, that he was HIV positive. The minister of justice, Mr Dullah Omar, said that this disclosure would help to ‘break the silence’ surrounding the condition with which many South Africans lived.<sup>127</sup> [<sup>127</sup> *Business Day* 21 April 1999]
- The UDM won its first municipal by-election, at Zoar (Western Cape). The UDM’s candidate won 258 votes to the ANC’s 148.<sup>128</sup> [<sup>128</sup> Institute for Futures Research, *Friday at Noon*, 23 April 1999]

- Mr Mbeki defended the inclusion of Ms Madikizela-Mandela, who had a criminal record for kidnapping, on the electoral list of the ANC. He argued that her offences were no different from the political crimes of which many members of the ANC had been convicted.<sup>129</sup> [<sup>129</sup> Ibid]
- Mr Makhaya Ntini, a professional cricket player and the first African in the national side, was convicted of rape.<sup>130</sup> [<sup>130</sup> *The Citizen* 27 April 1999] The conviction was set aside in October on appeal.
- In a case before the Constitutional Court, Dr Louis Luyt, former president of the South African Rugby Football Union (Sarfu), demanded the recusal of five of the judges—Mr Justice Arthur Chaskalson, Mr Justice Albie Sachs, Mr Justice Johann Kriegler, Mr Justice Pius Langa, and Mr Justice Zac Yakoob. Dr Luyt's legal representatives asserted that the judges in question had close links with Mr Mandela and the ANC and that therefore he could not expect a fair trial. The judges did not recuse themselves. The case before the court was an appeal by the government to reverse an earlier decision by Mr Justice Willem de Villiers to have a commission of inquiry into the affairs of Sarfu set aside. The following month, Dr Luyt withdrew from the case.<sup>131</sup> [<sup>131</sup> *Sunday Times* 2 May 1999, *The Citizen* 13 May 1999] The court set aside the previous ruling in September 1999, finding that Mr Mandela had acted constitutionally when he appointed the commission.<sup>132</sup> [<sup>132</sup> *The Citizen* 11 September 1999]
- Some 7 000 pupils from Mpumalanga, who believed that they had passed their matric exams in 1998, were told that they had actually failed, while a further 2 000 lost their university admission passes. The pass rate in Mpumalanga for 1998 was adjusted from 73% to 53%.<sup>133</sup> [<sup>133</sup> Institute for Futures Research, *Friday at Noon*, 30 April 1999]
- Following the broadcast in Britain of a documentary made by the British Broadcasting Corporation, which showed members of the South African Police Service (SAPS) assaulting suspected vehicle hijackers, Mr Mbeki criticised police brutality, and promised that offenders would be punished.<sup>134</sup> [<sup>134</sup> *Finance Week* 30 April 1999] In September 1999, it was announced that some of the policemen would be prosecuted for assault with intent to do grievous bodily harm.<sup>135</sup> [<sup>135</sup> *The Citizen* 23 September 1999]
- The public protector recommended, in a preliminary report on corruption in the Department of Home Affairs, that the director general of home affairs, Mr Albert Mokoena, be suspended.<sup>136</sup> [<sup>136</sup> *Finance Week* 30 April 1999] Mr Mokoena, who at the time of the release of the report was on 'special leave', was suspended on full pay several weeks later.<sup>137</sup> [<sup>137</sup> *The Citizen* 28 April 1999, *Sunday Times* 6 June 1999] In September 1999 he resigned, after the report of an internal disciplinary committee was handed to Chief Buthelezi, the minister of home affairs. The charges against him were, inter alia, that he ran a basketball team without permission, and used department facilities for their benefit.<sup>138</sup> [<sup>138</sup> *Beeld* 9 September 1999, *Business Day* 10 September 1999]
- The Volkstaat Council handed its final report on the feasibility of an Afrikaner homeland to the

president.<sup>139</sup> [<sup>139</sup> *Finance Week* 30 April 1999] The report proposed several areas as potential sites for the Volkstaat, including an area on the border between the Northern Cape and the Western Cape, the predominantly Afrikaner suburbs around Pretoria, as well as parts of Mpumalanga and the Northern Province.<sup>140</sup> [<sup>140</sup> *The Star* 22 April 1999]

- The minister of health, Dr Nkosazana Zuma, gazetted regulations for AIDS to become a notifiable disease.<sup>141</sup> [<sup>141</sup> *Finance Week* 30 April 1999]

## MAY 1999

- A number of advertising firms controlled by blacks (Azaguys, Herdbuoys, McCann-Erikson, and Skotaville Communications) lodged a complaint with the public protector regarding the award of parastatals' advertising accounts to another firm, The Agency. The firms contended that The Agency had misrepresented the extent of its black shareholding, and therefore did not satisfy tendering requirements concerning black economic empowerment.<sup>142</sup> [<sup>142</sup> *City Press* 1 August 1999; information provided by the office of the public protector, 30 September 1999]

- Ms Gill Marcus, deputy minister of finance, was appointed deputy governor of the reserve bank from 1st July 1999.<sup>143</sup> [<sup>143</sup> Institute for Futures Research, *Friday at Noon*, 7 May 1999]

- Mr Mbeki said that the ANC did not intend to amend the constitution if it won a two-thirds majority in the general election.<sup>144</sup> [<sup>144</sup> *Ibid*, 21 May 1999]

- A report produced by the National Labour and Economic Development Institute (Naledi), a research organisation linked to Cosatu, proposed the nationalisation of oil refineries to ensure that the state retained control of an important strategic industry.<sup>145</sup> [<sup>145</sup> *Ibid*, 14 May 1999]

- Mr Mbeki was reported to have implied that South Africa's police personnel were killing each other, rather than being attacked by criminals. Opposition parties demanded that he produce the information on which this claim was based. Mr Mbeki's office said that he had access to 'sensitive information' on the subject.<sup>146</sup> [<sup>146</sup> *The Citizen* 12, 13 May 1999, *The Star* 18 May 1999] The DP offered a substantial reward to encourage people to come forward with information that would lead to the arrest of a 'cop killer'.<sup>147</sup> [<sup>147</sup> *Business Day* 18 May 1999]

- The Constitutional Court ruled that soldiers could belong to trade unions.<sup>148</sup> [<sup>148</sup> Institute for Futures Research, *Friday at Noon*, 28 May 1999]

- In 1998 there was one prosecutor in South Africa for every 85 reported robberies, compared with one for every 45 in 1987, a report by the Institute for Security Studies said.<sup>149</sup> [<sup>149</sup> *Ibid*]

- Colonel Eugene de Kock, the former commander of Vlakplaas, who was serving a sentence of 262 years for crimes committed in the country's political conflict, began a bid for amnesty before the TRC.<sup>150</sup> [<sup>150</sup> *Financial Mail* 28 May 1999]
- Police personnel in the east Rand were warned not to wear any clothing that could identify them with the police when off duty. This was in the context of a high rate of attack and murder of police officers.<sup>151</sup> [<sup>151</sup> *Ibid*]
- Mr Justice Sandile Ngcobo, an acting judge in the Labour Court, was appointed to the Constitutional Court. There was speculation that intervention from Mr Mbeki's office convinced Mr Mandela to appoint Judge Ngcobo rather than another applicant, Mr Justice Edwin Cameron, even though the latter was apparently more highly regarded in the legal profession.<sup>152</sup> [<sup>152</sup> *Business Day* 1 June 1999, Institute for Futures Research, *Friday at Noon*, 4 June 1999]

## JUNE 1999

- South Africa's second post-apartheid general election was held on 2nd June 1999. The ANC won 66.4% of the vote, while the DP came second with 9.6%.<sup>153</sup> [<sup>153</sup> Institute for Futures Research, *Friday at Noon*, 11 June 1999]
- Mr Jay Naidoo, minister of posts, telecommunications, and broadcasting, announced that he was retiring from Parliament.<sup>154</sup> [<sup>154</sup> *The Citizen* 11 June 1999]
- The pension funds adjudicator ordered a provident fund to change its rules to accommodate homosexual relationships, and to pay a pension to the partner of one of its deceased members.<sup>155</sup> [<sup>155</sup> Institute for Futures Research, *Friday at Noon*, 11 June 1999]
- Mr Mbeki was elected president of South Africa by the National Assembly on 14th June 1999. He subsequently announced his cabinet—ten of the appointees were new, while 11 members were allocated new portfolios and seven retained their portfolios.<sup>156</sup> [<sup>156</sup> *Ibid*, 18 June 1999] Three members of the cabinet were members of the IFP, while the remainder were members of the ANC. Among the members of the ANC in the cabinet were six confirmed members of the South African Communist Party (although the SACP claimed that there were seven).<sup>157</sup> [<sup>157</sup> <http://www.sacp.org.za/pr/1999/pr1719.html>, 6 October 1999]
- A coalition government consisting of the NNP and the DP was formed in the Western Cape. The ANC was offered representation in the provincial government, but declined to accept it.<sup>158</sup> [<sup>158</sup> *Business Day*, *The Citizen* 15 June 1999]
- The office of the national director of public prosecutions said that it planned to lay charges of treason

against Mr Philip Powell MPL (IFP), for his alleged involvement in political violence before the 1994 general election.<sup>159</sup> [<sup>159</sup> *Finance Week* 18 June 1999] This followed the recovery of an arms cache in KwaZulu-Natal which Mr Powell had surrendered to the authorities. Mr Powell believed that he had received immunity from prosecution prior to surrendering the cache.<sup>160</sup> [<sup>160</sup> *Business Day* 26 May 1999]

- A controversy arose when the premier of Mpumalanga, Mr Ndaweni Mahlangu, said that he did not find it 'a very bad thing' that politicians sometimes lied.<sup>161</sup> [<sup>161</sup> *The Star* 23 June 1999] Although Mr Mahlangu apologised for the remark, the public protector conducted an investigation into the matter and recommended that Mr Mahlangu should be censured. The ANC passed a motion in the Mpumalanga legislature which accepted his earlier apology, declined to take further steps against him, and criticised the public protector.<sup>162</sup> [<sup>162</sup> *Beeld* 1 October 1999]

- The Gauteng Department of Health announced that posts in Johannesburg's four major academic hospitals would be 'unfrozen'. This followed a warning by academics at the hospitals that a shortage of staff as a result of severe budget constraints would result in curable patients dying. The academics predicted, for example, that some 500 babies would die every year if the Chris Hani Baragwanath Hospital was forced to close its neonatal intensive care unit.<sup>163</sup> [<sup>163</sup> *The Citizen* 23 June 1999]

- At a press conference on 29th June 1999 Professor Kader Asmal, the new minister of education, promised that illiteracy would be eliminated within five years. The minister of labour, Mr Membathisi Mdladlana, said that labour legislation would be investigated to ensure that it was not exacerbating the country's unemployment crisis.<sup>164</sup> [<sup>164</sup> *Ibid* 30 June 1999]

- The auditor general's office said that the Heath Special Investigating Unit had recovered, saved, or prevented the loss of some R1.3bn in the thirteen months to 21st March 1999 as a result of its probes into corruption. Of this figure, some R60m in cash was recovered. The auditor general's investigation was launched after a dispute in April 1999 between the head of the unit, Mr Justice Willem Heath, and the minister of finance, Mr Trevor Manuel. Judge Heath had requested a larger budget, and claimed that his unit had recovered, saved, or prevented the loss in 1998 of some R858m of state funds. Mr Manuel had questioned this claim.<sup>165</sup> [<sup>165</sup> *Business Day* 12 March 1999, 30 June 1999, *The Star Business Report* 14 April 1999, *The Citizen* 23 July 1999]

- Mr Mbeki announced that South African troops might be deployed in a peacekeeping role in the Democratic Republic of Congo.<sup>166</sup> [<sup>166</sup> *The Citizen* 1 July 1999]

## **JULY 1999**

- During July, a controversy ensued regarding the appointment of the Judicial Service Commission (JSC), the body which recommends the appointment of judges. The constitution requires this body to incorporate a certain number of members of opposition parties. Mr Douglas Gibson MP (DP), who had

served on the JSC until the 1999 election, was not reappointed. The DP accused the ANC—whose support would have been necessary to secure Mr Gibson’s reappointment—of attempting to undermine parliamentary opposition and of acting unconstitutionally. The latter charge arose from the fact that Mr Koos van der Merwe, a member of the IFP, had been appointed to the commission. The DP contended that Mr van der Merwe did not represent an opposition party, since the IFP was represented in the cabinet. The speaker of the National Assembly, Ms Frene Ginwala, rejected this argument.<sup>167</sup> [<sup>167</sup> *Business Day* 1, 2 July 1999]

- Telkom announced that it planned to reduce its workforce significantly to counter rising operating costs. Mr Sizwe Nxasana, chief executive officer of Telkom, said that the extent of the cuts was ‘confidential’.<sup>168</sup> [<sup>168</sup> *The Citizen* 2 July 1999] Officials of trade unions said that some 11 000 workers would be retrenched as a result of these cuts, while a Telkom official said that the total would be closer to 5 500.<sup>169</sup> [<sup>169</sup> *Business Day* 30 September 1999, 4 October 1999]

- During July 1999 the government and public service unions argued over pay increases. The unions initially demanded an increase of some 15%, while the government offered 5%. The unions threatened strike action in the public service if their demands were not met.<sup>170</sup> [<sup>170</sup> *The Citizen* 26 March 1999; Institute for Futures Research, *Friday at Noon*, 9 July 1999; *Finance Week* 30 July 1999] Public servants embarked on strikes towards the end of the month, although their extent was not clear.<sup>171</sup> [<sup>171</sup> Institute for Futures Research, *Friday at Noon*, 30 July 1999] In September 1999, it was announced that the government was satisfied that all options had been explored to reach a mutually agreeable settlement. It therefore considered negotiations to have come to an end and implemented wage increases of 7% for teachers and 6.3% for most other public servants.<sup>172</sup> [<sup>172</sup> Ministry for Public Service and Administration, ‘Public service salary negotiations have come to an end’, 7 September 1999]

- Mr John Magolego, leader of a vigilante group based in the Northern Province, Mapogo-a-Mathamaga, said that his organisation would open offices in Pretoria and Mafikeng. He added that a large number of applications for membership of the organisation had been received from people in other parts of the country such as KwaZulu-Natal and the Free State.<sup>173</sup> [<sup>173</sup> *The Citizen* 7 July 1999] In the same month, press reports indicated that a vigilante group named Die Vuis (The Fist) had been formed in Cape Town in June 1999. Its membership consisted largely of white former policemen and soldiers, and it had allegedly warned prostitutes in the northern suburbs of Cape Town to ‘stop operating or else’.<sup>174</sup> [<sup>174</sup> *Ibid* 23 July 1999]

- The Medical Research Council stated that 3.6m people in South Africa were HIV positive. The council said that factors contributing to the spread of the disease were migrant labour, and the fact that older men sought relationships with younger women ‘in the hope that they will be free of infection’.<sup>175</sup> [<sup>175</sup> *Finance Week* 9 July 1999]

- The Department of Defence announced that the army would take on additional crime-fighting



duties.<sup>176</sup> [<sup>176</sup> *Financial Mail* 9 July 1999]

- The Department of Welfare said that average life expectancy in South Africa would drop from 60 to 40 years by 2008, largely as a result of AIDS.<sup>177</sup> [<sup>177</sup> *Ibid* 16 July 1999]
- The government announced that it planned to ratify a United Nations resolution which declared apartheid a 'crime against humanity'.<sup>178</sup> [<sup>178</sup> *Finance Week* 23 July 1999]
- The Greater Johannesburg Metropolitan Council announced that it had written off some R400m in debts, but was still owed R2.1bn.<sup>179</sup> [<sup>179</sup> *Ibid*]
- A Global Competitiveness Report ranked South Africa 47th (of 59 countries surveyed) in terms of global competitiveness; it ranked 58th in respect of crime, and was placed last in respect of labour practices.<sup>180</sup> [<sup>180</sup> Institute for Futures Research, *Friday at Noon*, 16 July 1999]
- Plans to increase restrictions on the ownership of firearms were announced by the Ministry of Safety and Security in July 1999.<sup>181</sup> [<sup>181</sup> *Ibid*; *The Sunday Independent* 14 July 1999]
- Transnet reported a loss of R426m for the 1998/99 year. It also announced that it could retrench some 27 000 employees, and decommission some 1 600 locomotives, as part of a 'comprehensive market-focused transformation framework'.<sup>182</sup> [<sup>182</sup> *Finance Week* 16 July 1999] In September 1999 it was announced that Spoornet (the railway company owned by Transnet) was retrenching about 1 000 employees a month in an effort to stem the losses.<sup>183</sup> [<sup>183</sup> *Business Day* 22 September 1999]
- The Independent Broadcasting Authority (IBA) said that radio and television coverage of the 1999 general election had not been biased. The IBA said that it had monitored over 100 broadcasters during the election, and had received 12 complaints of alleged bias.<sup>184</sup> [<sup>184</sup> *The Citizen* 13 July 1999]
- Mr Mbeki addressed a meeting of the Afrikanerbond in Pretoria. He said that Afrikaner culture would be protected, but that it was important for South Africans of different backgrounds to 'build bridges'.<sup>185</sup> [<sup>185</sup> *The Star* 28 July 1999]
- Affirmative action in the police service would be accelerated, according to the minister of safety and security, Mr Steve Tshwete. There was a perception that whites were keeping posts for themselves, and that as long as mistrust was prevalent in the police service, it would not function effectively.<sup>186</sup> [<sup>186</sup> *The Citizen* 29 July 1999]
- The chairman of the South African Human Rights Commission, Dr Barney Pitso, called on the government not to prosecute people who had failed to gain amnesty before the TRC.<sup>187</sup> [<sup>187</sup> *Financial Mail*]

30 July 1999]

## AUGUST 1999

- African Star, South Africa's first airline controlled by blacks, was granted a licence to operate scheduled passenger and cargo flights to Europe.<sup>188</sup> [<sup>188</sup> Ibid 6 August 1999]
- The Labour Court ruled that Eskom had unfairly discriminated against a white employee by refusing her a promotion although she was assessed as the best candidate for the post. The employee and the Mineworkers' Union had taken the case to an arbitrator, who had ruled in their favour. Eskom subsequently approached the Labour Court. The court found that Eskom did not have a proper affirmative action plan, and was applying affirmative action arbitrarily. It was necessary for firms to establish proper guidelines, and to take into account everyone's rights, as well as the effective functioning of the enterprise.<sup>189</sup> [<sup>189</sup> *The Star* 5 August 1999, *Beeld* 13 August 1999]
- Sun Air, a privately owned airline, ceased operations. It had been operating at a loss for several months. Sun Air's shareholders concluded a deal with South African Airways, wherein the latter would acquire a 75% equity stake in Sun Air, and, together with British Airways-Comair (a 25% shareholder in Sun Air), would liquidate the airline. Attempts by Sun Air's employees to revive the airline were unsuccessful. In September 1999 the minister for public enterprises, Mr Jeff Radebe, said that the planned acquisition by SAA would not proceed.<sup>190</sup> [<sup>190</sup> *Business Day* 13, 16 August, 3, 15, 16, 17 September, 5 October 1999]
- East Rand Proprietary Mines (ERPM), one of South Africa's oldest gold mines, closed down following the failure of an attempt by the National Union of Mineworkers (NUM) to prevent its liquidation while a 'survival plan' was implemented. The liquidation was largely caused by a weak gold price, owing to which ERPM was losing some R7m per month.<sup>191</sup> [<sup>191</sup> *The Citizen* 20 August 1999]
- At a congress of the Congress of South African Trade Unions (Cosatu), Mr Zwelinzima Vavi was elected secretary general, and Mr Willie Madisha was elected president.<sup>192</sup> [<sup>192</sup> Institute for Futures Research, *Friday at Noon*, 20 August 1999]
- The minister of health, Dr Manto Tshabalala-Msimang, said that racial quotas would be implemented at medical schools if they did not admit more black students. Professor Max Price, dean of the Faculty of Health Sciences at the University of the Witwatersrand, said that while he supported targets to ensure the admission of more blacks over time, it would be unwise to impose quotas. This would force institutions to accept students who would be unable to complete their studies.<sup>193</sup> [<sup>193</sup> *The Star* 26 August 1999]
- Mr Penuell Maduna, minister of justice and constitutional development, criticised the legal profession for not doing enough to advance black lawyers. He also criticised the judges of the Constitutional Court who, despite having considerable resources at their disposal, disposed of fewer than 20 cases a year.

This was in contrast to the Supreme Court of Appeal in Bloemfontein, which handled some 120 cases a year.<sup>194</sup> [<sup>194</sup> *Business Day*, *The Citizen* 31 August 1999]

## SEPTEMBER 1999

- The Directorate of Special Investigations (nicknamed the ‘Scorpions’), an ‘elite’ investigative unit which would operate under the auspices of the national director of public prosecutions, Mr Bulelani Ngcuka, was established to deal with ‘priority’ crimes.<sup>195</sup> [<sup>195</sup> *The Star* 2 September 1999]
- Following a number of unsuccessful attempts to seize the assets of suspected criminals, Parliament passed a number of amendments to the Prevention of Organised Crime Act of 1998. These would allow for the seizure of assets acquired through crimes committed prior to the enactment of the law in January 1999.<sup>196</sup> [<sup>196</sup> *Business Day* 2 September 1999]
- A landlord could not evict someone living on his property on the sole ground that he was the owner, according to a judgement in the Cape High Court. The court said that it was necessary to apply constitutional principles which stipulated that no one could be evicted without an order of the court. The court said that it was also necessary to consider all relevant circumstances, to what extent the constitution limited the rights of property owners to evict tenants, and what allegations were made by the owner in requesting an eviction order.<sup>197</sup> [<sup>197</sup> *The Star Business Report* 6 September 1999]
- The Department of Labour published statistics on strike action during 1998, which indicated that some 3.8m mandays had been lost during 527 strikes in that year. The Commission for Conciliation, Mediation, and Arbitration dealt with over 80 000 labour disputes over the same period, and some 344 new cases were being referred to the body every day.<sup>198</sup> [<sup>198</sup> *Business Day*, *The Citizen* 7 September 1999]
- A new trade union, the National United Workers Union of South Africa, was launched. It pledged to represent workers’ interests, saying that many workers felt that unions affiliated to Cosatu were more concerned with politics than with the interests of workers. It added though that most of its members were also members of the United Democratic Movement.<sup>199</sup> [<sup>199</sup> *The Citizen* 8 September 1999]
- The South African Law Commission recommended that extensive changes be made to laws concerning sexual offences. These changes would include compulsory testing for HIV of people arrested for sexual offences (if the victim requested it); repealing the common law offence of rape, and replcing it with a ‘gender neutral’ statutory offence; recognising rape within marriage; and declaring sexual penetration of a child below the age of twelve a criminal offence.<sup>200</sup> [<sup>200</sup> *Business Day* 9 September 1999]
- The All Africa Games, a sports tournament involving teams from across the continent, was held in Johannesburg.<sup>201</sup> [<sup>201</sup> *The Citizen* 10 September 1999]

- The Congress of South African Students called on the government to ensure that senior certificate candidates were examined only on the material that they had covered. This would mean that pupils in schools who had not completed the syllabus owing, inter alia, to industrial action by teachers, would not be examined on those parts of the syllabus that had not been taught. The Department of Education rejected this proposal.<sup>202</sup> [<sup>202</sup> Ibid 13 September 1999]
- The University of the North West was closed temporarily after students engaged in a demonstration—which included the erection of burning barricades to prevent staff and part-time students from entering the campus—in protest against the alleged misuse of funds by members of the Students' Representative Council (SRC). The SRC denied these allegations, and said that it had used the money allocated to it for the benefit of students.<sup>203</sup> [<sup>203</sup> Ibid 14 September 1999]
- A report by Statistics South Africa showed that Randburg was the fastest growing municipality in the country in 1998, having approved building plans worth some R646m (an increase of 54% on the previous year). Pretoria was second, having approved building plans worth R1.2bn (33%). Johannesburg had approved plans worth R514m, a decrease of 43% in 1997.<sup>204</sup> [<sup>204</sup> *The Star* 16 September 1999]
- South Africa's fire services were in a 'dire' situation, according to Mr Barry Scott, chief executive of the South African Insurance Association. He said that a review of 44 fire brigades across the country showed that 82% had insufficient staff, and 52% had insufficient response times.<sup>205</sup> [<sup>205</sup> Ibid]
- Mr Penuell Maduna said that the Heath Special Investigating Unit would cease to exist as a national anti-corruption unit, but would continue to operate in the Eastern Cape, where it was based. The unit would, however, complete its work on cases that it was dealing with at the time. He said that this was not a political matter, but an economic one. Mr Johnny de Lange MP (ANC) said that in future, corruption would be investigated by judges from the areas in which the alleged corruption arose. Subsequently, Mr Maduna said that although the unit had no permanent status in legislation, he did not intend closing it down or limiting its activities.<sup>206</sup> [<sup>206</sup> *Business Day* 23 September 1999, *The Star* 5 October 1999]
- A black lieutenant at Tempe military base (Free State) killed six white soldiers and a white civilian, apparently in retaliation for alleged victimisation by white personnel. He also wounded five other soldiers before being killed. The lieutenant had been charged with being absent without leave and had his salary withheld.<sup>207</sup> [<sup>207</sup> *The Star* 17, 23 September 1999] The Pan-Africanist Congress (PAC) said that he should receive a military burial. This was refused.<sup>208</sup> [<sup>208</sup> *Beeld* 2, 4 October 1999]
- Mr Jeff Radebe said that the restructuring of private enterprises would be handled 'aggressively'. Nine enterprises had been partially privatised, which had earned the state some R11bn since 1996.<sup>209</sup> [<sup>209</sup> Ibid 28 September 1999] At a conference on investment in New York, he said that 'we are on course to making sure that by the end of President Mbeki's first term we would have completed restructuring in terms of the goals we have set ourselves'.<sup>210</sup> [<sup>210</sup> *Business Day* 29 September 1999] He said that this would take a variety

of forms, including 'outright' sales, partial sales, and the use of strategic equity partners.<sup>211</sup> [<sup>211</sup> *The Sunday Independent* 26 September 1999]

- Dr Blade Nzimande, secretary general of the South African Communist Party, called on teachers to use their positions to inculcate socialist ideas in children.<sup>212</sup> [<sup>212</sup> *Beeld* 23 September 1999] A few days later, Professor Asmal said that ill-discipline and a lack of professionalism among teachers had created a widespread perception that teachers 'were not worth the salaries that government was paying them'.<sup>213</sup> [<sup>213</sup> *Sowetan* 27 September 1999]

- A bus crashed near Lydenburg in Mpumalanga on 27th September 1999, resulting in the deaths of 27 British tourists. Over the preceding week, four similar accidents had occurred. In the five accidents, 58 people were killed and more than 160 injured. A spokesman for the Ministry of Transport said that the minister, Mr Dullah Omar, would investigate what action was needed to reduce the high incidence of bus accidents. The Association of South African Travel Agents said that such accidents would harm South Africa's tourist industry.<sup>214</sup> [<sup>214</sup> *Business Day* 28 September 1999]

- The Advertising Standards Committee, a branch of the Advertising Standards Authority (an organisation which oversees the work of advertising firms, and to which these firms voluntarily submit in order to ensure that advertisements do not offend or mislead the public), ordered the temporary removal and amendment of a television advertisement featuring Ms Charlize Theron, an actress, after it had received a number of complaints from people who felt that it was offensive to men.<sup>215</sup> [<sup>215</sup> Information provided by Integrated Communications, public relations consultancy to the ASA, 7 October 1999] The advert, which sought to highlight the problem of rape in South Africa, was found to be offensive because it created a 'negative impression that the men not included in the category of rapists are all complacent'. In October 1999 the Appeal Committee of the Advertising Standards Authority overturned the order.<sup>216</sup> [<sup>216</sup> *The Star* 4 October 1999, *The Citizen* 23 October 1999]

## **APPENDIX: LEGISLATION**

### **NATIONAL LEGISLATION PASSED IN 1998 AND 1999**

1

#### **1999 ACTS<sup>1</sup> [ As at 9th November 1999.]**

- Public Finance Management Act (no 1 of 1999)
- Constitution of the Republic of South Africa Second Amendment Act (no 2 of 1999)
- Constitution of the Republic of South Africa Amendment Act (no 3 of 1999)

- Broadcasting Act (no 4 of 1999)
- Public Service Amendment Act (no 5 of 1999)
- Statistics Act (no 6 of 1999)
- Public Investment Commissioners Amendment Act (no 7 of 1999)
- University of Cape Town (Private) Act (no 8 of 1999)
- Skills Development Levies Act (no 9 of 1999)
- Pan South African Language Board Amendment Act (no 10 of 1999)
- National Heritage Council Act (no 11 of 1999)
- Tobacco Products Control Amendment Act (no 12 of 1999)
- Child Care Amendment Act (no 13 of 1999)
- Prevention and Treatment of Drug Dependency Amendment Act (no 14 of 1999)
- Arms and Ammunition Amendment Act (no 15 of 1999)
- Military Discipline Supplementary Measures Act (no 16 of 1999)
- Military Veteran's Affairs Act (no 17 of 1999)
- Land Restitution and Reform Laws Amendment Act (no 18 of 1999)
- Onderstepoort Biological Products Incorporation Act (no 19 of 1999)
- Road Traffic Management Corporation Act (no 20 of 1999)
- National Road Traffic Amendment Act (no 21 of 1999)
- Administrative Adjudication of Road Traffic Offences Amendment Act (no 22 of 1999)
- Harmful Business Practices Amendment Act (no 23 of 1999)

- Prevention of Organised Crime Amendment Act (no 24 of 1999)
- National Heritage Resources Act (no 25 of 1999)
- Judicial Matters Amendment Act (no 26 of 1999)
- Housing Consumers Protection Amendment Act (no 27 of 1999)
- Housing Amendment Act (no 28 of 1999)
- Public Finance Management Amendment Act (no 29 of 1999)
- Division of Revenue Act (no 30 of 1999)
- Appropriation Act (no 31 of 1999)
- Taxation Laws Amendment Act (no 32 of 1999)
- South African Sports Commission Amendment Act (no 33 of 1999)
- Films and Publications Amendment Act (no 34 of 1999)
- Competition Amendment Act (no 35 of 1999)
- Gambling Matters Amendment Act (no 36 of 1999)
- Companies Amendment Act (no 37 of 1999)
- Prevention of Organised Crime Second Amendment Act (no 38 of 1999)
- National Gambling Amendment Act (no 39 of 1999)
- Financial Markets Control Amendment Act (no 40 of 1999)
- Closed Pension Fund Amendment Act (no 41 of 1999)

2

**1998 ACTS<sup>2</sup>** [ Readers will notice that the list of acts for 1998 seems incomplete. Acts no 85, 102, 104, 123, and 133 of 1998 were not enacted in that year, owing, for instance, to concerns regarding their constitutionality. Some of them were enacted later and appear in the list of acts for 1999.]

- Medical, Dental and Supplementary Health Service Professions Amendment Act (no 1 of 1998)
- Airports Company Amendment Act (no 2 of 1998)
- Adjustments Appropriation Act (no 3 of 1998)
- Cross-Border Road Transport Act (no 4 of 1998)
- South African Maritime Safety Authority Act (no 5 of 1998)
- South African Maritime Safety Authority Levies Act (no 6 of 1998)
- The South African National Roads Agency Limited and National Roads Act (no 7 of 1998)
- National Road Traffic Amendment Act (no 8 of 1998)
- Additional Post Office Appropriation Act (no 9 of 1998)
- Department of Communications Rationalisation Act (no 10 of 1998)
- Interim Appropriation Act (no 11 of 1998)
- Unit Trusts Control Amendment Act (no 12 of 1998)
- Financial Markets Control Amendment Act (no 13 of 1998)
- Stock Exchanges Control Amendment Act (no 14 of 1998)
- Regulation of Foreign Military Assistance Act (no 15 of 1998)
- Economic Co-operation Promotion Loan Fund Amendment Act (no 16 of 1998)
- Transfer of Staff to Municipalities Act (no 17 of 1998)
- Marine Living Resources Act (no 18 of 1998)
- Prevention of Illegal Eviction from and Unlawful Occupation of Land Act (no 19 of 1998)
- Remuneration of Public Office Bearers Act (no 20 of 1998)



- Land Bank Amendment Act (no 21 of 1998)
- Regional Industrial Development Amendment Act (no 22 of 1998)
- National Research Foundation Act (no 23 of 1998)
- Measuring Units and National Measuring Standards Amendment Act (no 24 of 1998)
- Wine and Spirit Control Amendment Act (no 25 of 1998)
- Provision of Certain Land for Settlement Amendment Act (no 26 of 1998)
- Local Government: Municipal Demarcation Act (no 27 of 1998)
- Division of Revenue Act (no 28 of 1998)
- Appropriation Act (no 29 of 1998)
- Taxation Laws Amendment Act (no 30 of 1998)
- Uncertificated Securities Tax Act (no 31 of 1998)
- National Prosecuting Authority Act (no 32 of 1998)
- Promotion of National Unity and Reconciliation Amendment Act (no 33 of 1998)
- Judicial Matters Amendment Act (no 34 of 1998)
- Companies Amendment Act (no 35 of 1998)
- National Water Act (no 36 of 1998)
- National Strategic Intelligence Amendment Act (no 37 of 1998)
- Safe Deposit of Securities Amendment Act (no 38 of 1998)
- Transport Appeal Tribunal Act (no 39 of 1998)
- South African Civil Aviation Authority Act (no 40 of 1998)

- South African Civil Aviation Authority Levies Act (no 41 of 1998)
- South African Passports and Travel Documents Amendment Act (no 42 of 1998)
- Births and Deaths Registration Amendment Act (no 43 of 1998)
- Sterilisation Act (no 44 of 1998)
- National Land Transport Interim Arrangements Act (no 45 of 1998)
- Administrative Adjudication of Road Traffic Offences Act (no 46 of 1998)
- Road Traffic Laws Rationalisation Act (no 47 of 1998)
- KwaZulu Land Affairs Amendment Act (no 48 of 1998)
- Insurance Amendment Act (no 49 of 1998)
- Demutualisation Levy Act (no 50 of 1998)
- Insurance Second Amendment Act (no 51 of 1998)
- Long-term Insurance Act (no 52 of 1998)
- Short-term Insurance Act (no 53 of 1998)
- Inherited Debt Relief Act (no 54 of 1998)
- Employment Equity Act (no 55 of 1998)
- Adoption Matters Amendment Act (no 56 of 1998)
- Shipping Laws Amendment Act (no 57 of 1998)
- Ship Registration Act (no 58 of 1998)
- Culture Promotion Amendment Act (no 59 of 1998)
- Companies Second Amendment Act (no 60 of 1998)
- Land Affairs General Amendment Act (no 61 of 1998)

- Animal Improvement Act (no 62 of 1998)
- Agricultural Product Standards Amendment Act (no 63 of 1998)
- Subdivision of Agricultural Land Act Repeal Act (no 64 of 1998)
- Constitution of the Republic of South Africa Amendment Act (no 65 of 1998)
- Magistrates Amendment Act (no 66 of 1998)
- Magistrates' Courts Amendment Act (no 67 of 1998)
- Criminal Matters Amendment Act (no 68 of 1998)
- Determination of Delegates (National Council of Provinces) Act (no 69 of 1998)
- Road Transport Appeal Matters Amendment Act (no 70 of 1998)
- Road Accident Fund Commission Act (no 71 of 1998)
- Agricultural Laws Rationalisation Act (no 72 of 1998)
- Electoral Act (no 73 of 1998)
- Sheriffs Amendment Act (no 74 of 1998)
- Special Pensions Amendment Act (no 75 of 1998)
- Employment of Educators Act (no 76 of 1998)
- Port of Ngqura Establishment Act (no 77 of 1998)
- National Payment System Act (no 78 of 1998)
- Reconstruction and Development Programme Fund Act (no 79 of 1998)
- Inspection of Financial Institutions Act (no 80 of 1998)
- Defence Special Tribunal Act (no 81 of 1998)

- Executive Members' Ethics Act (no 82 of 1998)
- South African Police Service Amendment Act (no 83 of 1998)
- National Forests Act (no 84 of 1998)
- Public Service Laws Amendment Act (no 86 of 1998)
- Constitution of the Republic of South Africa Second Amendment Act (no 87 of 1998)
- State Information Technology Agency Act (no 88 of 1998)
- Competition Act (no 89 of 1998)
- Estate Agents Act (no 90 of 1998)
- The South African Library for the Blind Act (no 91 of 1998)
- The National Library of South Africa Act (no 92 of 1998)
- Deeds Registries Amendment Act (no 93 of 1998)
- Transformation of Certain Rural Areas Act (no 94 of 1998)
- Housing Consumers Protection Measures Act (no 95 of 1998)
- Parliamentary Villages Management Board Act (no 96 of 1998)
- Skills Development Act (no 97 of 1998)
- Further Education and Training Act (no 98 of 1998)
- Maintenance Act (no 99 of 1998)
- Aged Persons Act (no 100 of 1998)
- National Veld and Forest Fire Act (no 101 of 1998)
- Alienation of Land Amendment Act (no 103 of 1998)

- National Empowerment Fund Act (no 105 of 1998)
- National Parks Amendment Act (no 106 of 1998)
- National Environmental Management Act (no 107 of 1998)
- National Development Agency Act (no 108 of 1998)
- South African Sports Commission Act (no 109 of 1998)
- National Sport and Recreation Act (no 110 of 1998)
- Correctional Services Act (no 111 of 1998)
- Witness Protection Act (no 112 of 1998)
- Public Protector Amendment Act (no 113 of 1998)
- Debt Collectors Act (no 114 of 1998)
- Attorneys and Matters relating to Rules of Court Amendment Act (no 115 of 1998)
- Domestic Violence Act (no 116 of 1998)
- Local Government: Municipal Structures Act (no 117 of 1998)
- South African Geographical Names Council Act (no 118 of 1998)
- Cultural Institutions Act (no 119 of 1998)
- Recognition of Customary Marriages Act (no 120 of 1998)
- Prevention of Organised Crime Act (no 121 of 1998)
- Judicial Matters Second Amendment Act (no 122 of 1998)
- Postal Services Act (no 124 of 1998)
- Companies Third Amendment Act (no 125 of 1998)
- Eskom Amendment Act (no 126 of 1998)

- Labour Relations Amendment Act (no 127 of 1998)
- Demobilisation Amendment Act (no 128 of 1998)
- Second Adjustments Appropriation Act (no 129 of 1998)
- Refugees Act (no 130 of 1998)
- Medical Schemes Act (no 131 of 1998)
- South African Medicines and Medical Devices Regulatory Authority Act (no 132 of 1998)
- Convention of SASRIA Act (no 134 of 1998)
- Insider Trading Act (no 135 of 1998)
- Boxing and Wrestling Control Amendment Act (no 136 of 1998)
- Boxing and Wrestling Control Second Amendment Act (no 137 of 1998)

## **APPENDIX: THE CABINET**

### **1994–1999**

The first post-apartheid president of South Africa, Mr Nelson Mandela, was sworn in on 10th May 1994—there had been no other nominations for the position. The first cabinet was announced by Mr Mandela on 11th May 1994. In accordance with the transitional constitution, 18 portfolios were allocated to the African National Congress (ANC), six to the National Party (NP), and three to the Inkatha Freedom Party (IFP) (the transitional constitution required positions in the cabinet to be allocated to all parties which secured 20 or more seats in the National Assembly).

Members of the cabinet during the first post-apartheid government are listed below, along with their party allegiances, and the dates on which they were appointed to their portfolios. The many resignations and appointments on 1st July 1996 were the result of the departure of the National Party from the government.

Some portfolios (such as agriculture, land, and general services) were created, merged, or abolished, while the allocation of some portfolios was changed in the period 1994–1995.

## **1994**

### **President**

Mr Nelson Rohihlala Mandela (ANC)

### **Executive Deputy Presidents**

Mr Thabo Mvuyelwa Mbeki (ANC);

Mr Frederik Willem De Klerk (NP) (resigned on 1st July 1996)

### **Minister of agriculture**

Dr André Isak van Niekerk (NP), appointed on 11th May 1994 and resigned on 1st July 1996. This portfolio was amalgamated with land affairs and taken over by Mr Derek Hanekom.

### **Minister of arts, culture, science, and technology**

Dr Baldwin Siphon (Ben) Ngubane (IFP), appointed on 11th May 1994. He was replaced by Mr Lionel Percival Hercules Mbeki Mtshali (IFP), on 1st September 1996. Mr Mtshali resigned on 4th February 1999, and Dr Ngubane was reappointed on the same date.

### **Minister of correctional services**

Dr Sipo Elijah Mzimela (IFP), appointed on 11th May 1994, and resigned on 31st July 1998. He was replaced by Mr Ben Mohleane Skosana (IFP), who was appointed on the same date.

### **Minister of defence**

Mr Johannes Modise (ANC), appointed on 11th May 1994.

### **Minister of education**

Professor Sibusiso Mandlenkosi Emmanuel Bengu (ANC), appointed on 11th May 1994.

### **Minister of environmental affairs and tourism**

Dr Dawid Jacobus De Villiers (NP), appointed on 11th May 1994, and resigned on 1st July 1996. He was replaced by Dr Pallo Jordan (ANC) on the same date.

## **Minister of finance**

Mr Derek Lyle Keys (NP), appointed on 11th May 1994, and resigned on 19th September 1994. He was replaced by Mr Christo Ferro Liebenberg (not a member of any party) on the same date. Mr Liebenberg was replaced by Mr Trevor Andrew Manuel (ANC) on 4th April 1996.

## **Minister of foreign affairs**

Mr Alfred Baphethuxolo Nzo (ANC), appointed on 11th May 1994.

## **Minister for general services**

Mr Christiaan Loedolff Fisser (NP), appointed on 18th January 1995. The portfolio fell vacant when Mr Fisser was allocated the portfolio of provincial affairs and constitutional development in March 1996. Dr Dawid Jacobus De Villiers (NP) served as acting minister for general services with effect from 1st March 1996. Mr John Solane Absalom Mavuso (NP) was appointed to this portfolio on 28th March 1996. He resigned on 1st July 1996, at which point the portfolio ceased to exist.

## **Minister of health**

Dr Nkosazana Clarice Dlamini-Zuma (ANC), appointed on 11th May 1994.

## **Minister of home affairs**

Chief Mangosuthu Gatsha Buthelezi (IFP), appointed on 11th May 1994.

## **Minister of housing**

Mr Joseph Slovo (ANC), appointed on 11th May 1994—died on 6th January 1995. Ms Sankie Dolly Mthembi-Nkondo (subsequently Mthembi-Mahanyele) (ANC), appointed on 6th January 1995.

## **Minister of justice**

Mr Abdulah Mohamed Omar (ANC), appointed on 11th May 1994.

## **Minister of labour**

Mr Tito Titus Mboweni (ANC), appointed on 11th May 1994 and resigned on 18th July 1998; he was replaced on the same date by Mr Membathisi Mphumzi Shepherd Mdladlana (ANC).

## **Minister of land affairs**



Mr Derek Andre Hanekom (ANC), appointed on 11th May 1994; this portfolio expanded to include agriculture after the departure from the cabinet of the National Party in July 1996.

### **Minister of mineral and energy affairs**

Mr Roelof Frederik (Pik) Botha (NP), appointed on 11th May 1994. He was replaced by Mr Penuell Mpapa Maduna (ANC), who was appointed on 1st July 1996.

### **Minister for posts, telecommunications, and broadcasting**

Dr Pallo Jordan (ANC), appointed on 11th May 1994. He was replaced by Mr Jayaseelan Naidoo (ANC), who was appointed on 4th April 1996.

### **Minister for provincial affairs and constitutional development**

Mr Roelf Petrus Meyer (NP), appointed on 11th May 1994. He was replaced by Mr Christiaan Loedolff Fisser (NP), who was appointed on 1st March 1996. Mr Mohammed Valli Moosa (ANC) took over this portfolio on 1st July 1996.

### **Minister for public enterprises**

Ms Stella Sigcau (ANC), appointed on 11th May 1994.

### **Minister for the public service and administration**

Dr Zola Sidney Themba Skweyiya (ANC), appointed on 11th May 1994.

### **Minister of public works**

Mr Jeffrey Thamsanqa Radebe (ANC), appointed on 11th May 1994.

### **Minister for safety and security**

Mr Fholisani Sydney Mufamadi (ANC), appointed on 11th May 1994.

### **Minister of sport and recreation**

Mr Stephen Vukile Tshwete (ANC), appointed on 11th May 1994.

### **Minister of trade and industry**

Mr Trevor Andrew Manuel (ANC), appointed on 11th May 1994. He was replaced by Mr Alexander Erwin (ANC), who was appointed on 4th April 1996.

### **Minister of transport**

Mr Sathyandranath Ragunanan (Mac) Maharaj (ANC), appointed on 11th May 1994.

### **Minister of water affairs and forestry**

Professor Abdul Kader Asmal (ANC), appointed on 11th May 1994.

### **Minister for welfare and population development**

Mr Abraham Williams (NP), appointed on 11th May 1994, and resigned on 21st February 1996. Dr Dawid Jacobus De Villiers (NP) became acting minister in this portfolio on 1st March 1996, until the appointment of Mr Patrick Cecil McKenzie (NP), on 28th March 1996. Mr McKenzie was replaced by Ms Geraldine Joslyn Fraser-Moleketi (ANC) on 1st July 1996.

### **Minister without portfolio**

Mr Jayaseelan Naidoo (ANC), appointed on 11th May 1994; Mr Naidoo was allocated the posts, telecommunications, and broadcasting portfolio in April 1996.

## **1999**

Following the general election in June 1999, Mr Thabo Mbeki was sworn in as the second president of post-apartheid South Africa on 16th June 1999. He announced his cabinet the following day. At the time of writing (9th November 1999) all ministers appointed by Mr Mbeki on that date were still in those jobs. Three members of the Inkatha Freedom Party were included in the cabinet, although Mr Mbeki was not obliged to do this. Of the ANC members, seven were also members of the South African Communist Party, according to that party.

### **President**

Mr Thabo Mvuyelwa Mbeki (ANC)

### **Executive Deputy President**

Mr Jacob Gedleyihlekisa Zuma (ANC)

## **Minister for agriculture and land affairs**

Ms Thoko Didiza (ANC), appointed on 17th June 1999.

## **Minister of arts, culture, science, and technology**

Dr Baldwin Siphon (Ben) Ngubane (IFP), appointed on 17th June 1999.

## **Minister of communications**

Dr Ivy Matsepe-Casaburri (ANC), appointed on 17th June 1999.

## **Minister of correctional services**

Mr Ben Mohleane Skosana (IFP), appointed on 17th June 1999.

## **Minister of defence**

Mr Mosiuoa Gerard Patrick (Terror) Lekota (ANC), appointed on 17th June 1999.

## **Minister of education**

Professor Abdul Kader Asmal (ANC), appointed on 17th June 1999.

## **Minister of environmental affairs and tourism**

Mr Mohammed Valli Moosa (ANC), appointed on 17th June 1999.

## **Minister of finance**

Mr Trevor Andrew Manuel (ANC), appointed on 17th June 1999.

## **Minister of foreign affairs**

Dr Nkosazana Clarice Dlamini-Zuma (ANC), appointed on 17th June 1999.

## **Minister of health**

Dr Mantombazana Edmie Tshabalala-Msimang (ANC), appointed on 17th June 1999.<%0>

## **Minister of home affairs**

Chief Mangosuthu Gatsha Buthelezi (IFP), appointed on 17th June 1999.

**Minister of housing**

Ms Sankie Dolly Mthembu-Mahanyele (ANC), appointed on 17th June 1999.

**Minister of intelligence**

Mr Joseph Mbuku Nhlanhla (ANC), appointed on 17th June 1999.

**Minister of justice and constitutional development**

Mr Penuell Mpapa Maduna (ANC), appointed on 17th June 1999.

**Minister of labour**

Mr Membathisi Mphumzi Shepherd Mdladlana (ANC), appointed on 17th June 1999.

**Minister of mineral and energy affairs**

Ms Phumzile Gloria Mlambo-Ngcuka (ANC), appointed on 17th June 1999.

**Minister for provincial and local government**

Mr Fholisani Sydney Mufamadi (ANC), appointed on 17th June 1999.

**Minister for public enterprises**

Mr Jeffrey Thamsanqa Radebe (ANC), appointed on 17th June 1999.

**Minister for the public service and administration**

Mrs Geraldine Joslyn Fraser-Moleketi (ANC), appointed on 17th June 1999.

**Minister of public works**

Ms Stella Sigcau (ANC), appointed on 17th June 1999.

**Minister for safety and security**

Mr Stephen Vukile Tshwete (ANC), appointed on 17th June 1999.

**Minister of sport and recreation**

Mr Bryce Mathemba Ngconde Balfour (ANC), appointed on 17th June 1999.

**Minister of trade and industry**

Mr Alexander Erwin (ANC), appointed on 17th June 1999.

**Minister of transport**

Mr Abdulah Mohamed Omar (ANC), appointed on 17th June 1999.

**Minister of water affairs and forestry**

Mr Ronald Kasrils (ANC), appointed on 17th June 1999.

**Minister for welfare and population development**

Dr Zola Sidney Themba Skweyiya (ANC), appointed on 17th June 1999.

**Minister in the office of the president**

Dr Essop Goolam Pahad (ANC), appointed on 17th June 1999.

Forgey, H., et al., South Africa Survey 1999-2000, (Johannesburg: South African Institute of Race Relations) 1999.