

## **South Africa is not in decline**

The current narrative on South Africa is one of decline. The mining strikes of the last two and a half months, and the accompanying violence, set off many doomsday predictions. But if we extend our view beyond the headlines of the moment, however, we find a bigger – and different – picture.

Since democracy in 1994 South Africa has had strikes each and every year. The average number of man days lost over the 18 years comes to 3.3m per annum. To the end of October, 3.5m days have been lost. It is true, however, that the mining sector has not been hit this hard since the advent of democracy.

Growth has been downgraded, but less than predicted and feared. In his February budget, way before the strike wave, finance minister Pravin Gordhan envisaged 2.7 per cent growth. Now, in October, he forecast 2.5 per cent. A loss for sure, but not disintegration; not even teetering on the edge of recession.

Another part of the decline narrative is that South Africa is in decline because the rest of Africa is growing faster and some African countries may soon overtake South Africa's economy in size. This is an astonishing argument akin to suggesting that Germany is in decline because China has a bigger economy.

Africa's success is not a threat to South Africa. It is an improvement to be welcomed and cherished. South Africa is a big beneficiary of such success. The Southern African Development Community (SADC) is currently South Africa's second biggest export market after the EU, and growing. With weak growth in the EU and strong growth in SADC expected for the next five years, the latter could soon top that list.

Surely the test is not whether other African countries are growing faster than South Africa, but whether South Africa is a better country than 10 or 20 years ago; and secondly, whether there are processes in place now which will make it a better country again 10 years from now.

Measured by a variety of development indicators South Africa has progressed considerably since 1994. Income per capita, in real terms, has risen by almost a third. Around 4m jobs have been added, even after the jobs plunge caused by the 2009 global recession. Access to housing, electricity, water and sanitation has doubled. Enrolment in higher education has increased by 400 000 students, almost a doubling of the pre-1994 number. The number of people living in poverty has declined and the number with higher living standard increased. Even life expectancy

has started to improve as the country has got to grips with HIV/Aids and improved access to water and sanitation.

This progress is likely to continue. Economic growth averaging 3 per cent over the next few years and population growth of about 1 per cent point to rising incomes and more wealth. This releases resources for distribution and development. 3m jobs could be added over the next ten years. It is not enough to crack unemployment, but enough to advance modernity, broaden the tax base and enhance growth.

Critics also point at rising inequality as evidence of failure. It is indeed a serious issue which requires more jobs, better education and a more capable state. These issues are moving to the top of the national agenda, probably spurred along by the Marikana tragedy and mining strikes. But to reflect, what else does one expect in a society where previously disadvantaged blacks are moving up the ladder and previously protected whites fall through the cracks? Both forces will conspire to give us more inequality, not less.

The narrative of political decline confuses the ANC and the country. South Africa is much more than the ANC. Several pieces of legislation brought to Parliament by the ANC have been substantially modified. The Secrecy Bill and the Traditional Courts Bill are prime examples. South Africans love their freedom and are increasingly exercising it also against the ANC where they feel the party goes too far.

Many policy proposals, from land reform to a National Health Insurance system, have been substantially modified from what was originally considered. On the one hand this reflects the enormous complexities of South Africa and the fact that there are few easy answers. On the other hand it reflects a quintessential South African characteristic: the ability to talk to one another and come to better outcomes.

This is not a failed state. It is not even a state in decline. It is, however, in many ways a weak state. Building a stronger and more capable state remains a challenge. The real test is whether it is a better place for its citizens than twenty years ago, and whether it will be better again in another ten years. The evidence is unambiguous.