

CHAPTER FIFTEEN

Transforming
society and

; uniting the

To make it easier for South Africans to

s

interact with each other across racial
and class divides, the country needs to

improve public spaces and public
services.

It is important for all South Africans to
be active citizens and exercise

leadership throughout S'ociety.

A social contract could help propel
South Africa onto a higher
developmental trajectory as well as build

a more cohesive and equitable society.

country

KEY PolNiS and |

~ shared commitment to constitutional

__Unity |n diversity will be fostered by a

~ values. The values entrenched in the
'Consitution and its Preamble and
| ;furt.her' _Ãxpahd and upon in the Bill of

~ Responsibilities are part of children's

education and should also be promoted

amongst adult South Africans.

South Africa needs to build 2 more |

equitable society where opportunity is

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religion. This would mean building |
people's capabilities through access to
quality education, health care and basic
services, as well as enabling access to
employment, and transforming
ownership patterns of the economy.
Redress measures that seek to confront
imbalances of the past should be

strengthened.

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progressive Constitution is a

INTRODUCTION

This plan is about transformation and contains recommendations to achieve a virtuous cycle of confidence and trust, a growing economy and broadening of opportunities. This chapter discusses broader proposals to support nation building and ways in which the values enshrined in the Constitution can be realised. It deals with implementing redress, promoting economic and social inclusion, social cohesion, active citizenry_ and broad based leadership and, the crafting of a social

compact.

The fundamental relationships that define us as South Africans are vitally important. They will bind the country together in moving towards a shared future; The most important uniting elements are our shared geographical

space and shared history. The

testament to that history. It is a national compact that defines South Africa's common values and identifies our rights and responsibilities as people living together. The Constitution is also the vision for South Africa

and offers a blueprint for the establishment of a

prosperous, non-sexist, non-racial and democratic

society.

South Africa has made significant progress since 1994. South Africans walked away from the precipice of war and bloodshed to create a democratic state based on a progressive Constitution. The end of apartheid provided for the restoration of dignity to all South Africans. Free and fair democratic elections are held regularly. In addition to establishing the legal and institutional underpinnings of an inclusive society, South Africa

has made significant progress in extending access to

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services such as education and housing. The economy has performed better, with rising incomes

and employment.

Problem Statement

Despite progress since 1994, South African society remains divided. Many schools, suburbs and places of worship are integrated but many more are not.

South Africa remains one of the most unequal economies in the world. The privilege attached to gender, race, class and age has not been reversed.

Despite rapid improvements in access to

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basic services, the quality of services continued to be affected by who you are and where you live.

skewed for centuries, this tends to produce a distribution of financial, human and social capital that

continues to reinforce

even if the legal elements of apartheid have ended. Opportunity continues to be defined by race, gender, geographic location, class and linguistic background. Inequality hardens society into a class

system, imprisoning people in the circumstances of their birth. Inequality corrodes trust among fellow

citizens, making it seem as if the game is rigged."

This is particularly true where, as in South Africa, it is

When opportunity is

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class is aligned W|th non-economic factors such as , & Q; Â\$

race, so that the social order as a whole seems not

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inequalities and the associated low levels of trust

have a highly negative impact on economic

~ development and make it harder to forge a social

compact that could move South Africaontoa higher

developmental trajectory.

In a modern economy, earnings are largely

determined by human and social capital. Globally, the rates of return to education have increased steadily. High levels of human capital allow people – to work and families to accumulate assets. These earnings then enable families to invest in better 'quality' education. This creates a cycle where richer people are able to increase productivity and earnings, – at a much faster pace than the poor. The : outcome is that the historical inequities continue to

adversely affect the lives of most black South
Africans' of KwaZulu-Natal

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Unemployment is high particularly among black youthâ\200\231.'. In addition to the historical inequities that redLJced- opportunities for black people' theâ\200\231 way in which the labour market has evolved locking out new entrants addsto the lack of opportunities. The economy has not generated new opportunities in the form of employment and openings for new

enterprises onthe hopedâ\200\224forscale L1
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) Other effects of identity also impact on inequality of

op; z_o__r_t_tir_ilty Women suffer from discrimination in both the education system and in the labour market, They are less likely to be able to access jobs that provide learning opportunities or personal

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rowth The net effect is that women are

particularly likely to be locked in a cycle of poverty

. There is evidence of increasing female participation
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in the labour force since 1994, but much more

needs to be done to eradicate patterns of inequality

l"â\200\231lahy; rur' ai-\2011 communities live in areas far from

: economic activity. While access to ,public, services

has improved in rural areas, infrastructure remains

â\200\230 weak and the quality of education and healthcare is

often poor The result is that many rural households are trapped in poverty The relative decline in

â\200\230 agriculture and the consequent fall in agricultural

employment have further reduced earnings

- capacity in rural areas. The social grant system has contributed to stabilising household earnings but is

not a substitute for a wage or a salary.

In urban areas, apartheid spatial patterns mean the poor often live far from places of work. This makes it harder to find work and raises the cost of transport. Inefficiencies in the housing market and - poor public transport limit mobility of workers, effectively banishing the poor to distant townships

with few work prospects. :

The Constitution outlines principles of non-racialism, non sexism and equality before the law.

(5.Â°9 0 of apartheid continue to shape the lives

The social psychological and geographic elements and

outlook of many South Africans, even though

, apartheid no longer exists on the statute books.

This systemic racism must be confronted by society

as otherwise it will be reproduced and reinforce

itself across generations. It is this inherited psyche of

racial prejudice breakdown in values inequality of

opportunity and massive poverty as well as

competition for scarce resources which helps fuel

racism and more recently, xenophobia

Discrimination on the basis of sexual orientation and homophobic violence are also a major problem. More needs to be done to protect the constitutional

and legal rights of sexual minorities

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Open displays of opulence are a growing scourge in

South African society. Their offensiveness is

particularly marked because of South Africa's high levels of inequality and unemployment. Society

should have balanced and appropriate incentive

systems commensurate to the individuals

contribution to society. Excessive displays of wealth

as well as unjustified differentials in income distort ' these incentives.

We cannot look only to the state to ensure the fulfilment of the Constitution. The Constitution underpins the provisions of socio-economic rights.

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| cut across the divisions of race,
. Will be more accepting of peoples

{ Many clauses in the Chapter 2 of the Constitution
are styled as: â\200\234Everyone has the right to.....

followed by the â\200\234the state must take v'r_easonable
legislative and other measures, within its available
res_ources, to achieve the progressive realisation of
these rightsâ\200\235. The interpretation that has developed
from these clauses is that people demand and the
state delivers. It is important that the government |
fulfils its responsibilities, but, equally, all South
Africans have roles as responsible and active citizens
to be agents of their own development.

VISION 2030 ot
1 In 2030 South Africans wi_llvbe '
_more conscious of the things they
have in comm,on than their
'differenCes. Their lived experiences

will progressively undermine and
gender, space and dlass. â\200\230The naton
: multple |dent|t|es In thls South

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â\200\234tackling the factors that sustain lnequalrty of
- opportunity and â\200\230outcomes by building |

capabilities and redressing the wrongs of the |
past.

i o flncreased interaction between South Afncans

from different social and racial groups
O Strong leadership across soociety and a

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FOSTERING CONSTITUTIONAL
VALUES b

. The Constitution is the supreme law of the land. It aims at transforming South Africa into a more equitable, integrated and just society. The

' NATIONAL DEVELOPMENT PLAN - 2030

o Broad-based knowledge about and support for |

Can set of values shared by all South Africans A

o 200\230An |nclu5|ve society and economy This means |

Constitution has embedded in it, values of human

~ dignity, non-sexism, non-racialism and the rule of

law. These values:

Â© Provide the basis for a new South African

identity

o Set out a vision for how South -Africa can

overcome its history and build a society based on

equality freedom and dignity

o Enable South Africans to have a common bond Â» and provides normative principles that ensure ease' of life lived side by side. |

o Afford broad standards by which particular' actions are judged to be desirable and right

Y The Constitution is also a national

declares that

protect or advance people disadvantaged under apartheid These two clauses form the nub of the agreement that brought democracy and freedom in 1994. The Constitution declares that

o South Africa belongs to all who live' in it and seeks to build a society where opportunity is not defined by race, gender class or religion

o Redress include

is essential Interventions

affirmative action, black economic empowerment

job (BEE) preferential procurement land reform and

redistributive patterns of public spending

Q: Removing the shadow of apartheid by

: developing the capabilities of the historically disadvantaged' is necessary. This means that a good

quality education, basic services such as health

water, sanitation, public transport, safety and social

security are all vital to address deprivation.

The values in the Constitution cannot be achieved

through legislation alone. Laws are unlikely to be

2 of the Constitution, which

' everyone is

: equal before the law and has

the right to equal protection and
benefit from the law. It also states

that the country may pass laws that

) compact. The essence of this. .

compact can be found in Chapter 1

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adhered to unless people's attitudes also change. It is unsurprising, therefore, - that legislation designed to prevent discrimination and address historical inequalities is often observed either cynically or not at all. This will not be resolved by passing more laws. Families, communities and schools all have a role to play in bringing up children who respect the rule of law and understand the values in the

Constitution

A partnership between the Department of Basic Education and Lead SA has produced the Bill of

Responsibilities, which sets out responsibilities that

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My responsibility in ensuring the right to
equality -

come with the rights outlined in the Constitution.

The Bill of Responsibilities urges young people to |
accept the call to responsibility that comes with the

many rights and freedoms enshrined in the
Constitution of the Republic of South Africa. The Bill
is designed as a tool to change behaviour. Although
this bill targets the youth, government should
broaden the campaign to all South Africans

including adults

The plan aims to inspire South Africans to be proud
citizens and to live the non-racial values in the

What it means

Treat every person equally and fairly, and do
not discriminate unfairly.

My responsibility in ensuring the right to,
human dignity

Treat people with reverence respect and dignity .

My responsibility in ensuring the right to .
life :

. : Sanctity of human life, protect and defend my life and that of others. . . 4 - o

1 My responsibility in ensuring the right to
family or parental care

Honour, respect and help my parents and my

family.

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| My responsiblhty in ensurlng the rlight to;
; education
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- Attend school regularly, to learn and to work
- . hard cooperate with and respect teachers and
- i' fellow learners.

Myr responsibility in ensuring the right to work

Work hard and do our best i in everything we do
Living a good and s_uccessful life mvolves hard

work, and anything worthwhile only comes with

hard work

- 'My responsnbillty in ensurmng the rlght toi -
: _?freedom and security of the person o

â\200\230Solving : any confllct in a peaceful manner no
- bullying :

200\231 My respon5|b|l|ty |n ensurmng the rightto
own property |

— Not to take what does not belong to me W|thout
i permissmn givmg generously when able to.

My respons|b|lity in ensuring the right to'. ' -
freedom of religion, belief and_opmlon_ '

Respect the beliefs including religious beliefs and :'
~ opinions of others. ' ;

My responsibility in ensuring the right to
live in a safe environment

Conserve and preserve the natural environment
protect animal and plant life prevent pollution
and no littering : :

' A My respon5|bllity in ensurmng the rlght to -
cmzenship ' '

fObeying the laws of our country, ensurlng that
 â\200\230_ ~ others do so as well, and contnbuting in every
 o _possible way to maklng South Africa a great
 . } ;country ; ; -

My responsnbility |n ensurmg the right to
freedom of expressnon

No spreadlng of lies, and to ensure others are not
insulted or have their feelings hurt.

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constitution. We must constantly guard against narrow nationalism, dislike of others or the development of a superiority complex in relation to people from other countries or contingents. Nationalism, taken to an extreme, engenders new

forms of racism, discrimination and chauvinism.

The role of family

Family can be defined as a social group related by blood, marriage, adoption or affiliation. This definition allows for all forms of families, including single-headed families, cohabitation, multigenerational families, single-sex families and

the nuclear family. The family plays a critical role in

shaping independent, productive and responsible

people. However families are subject to many

pressures and these include:

o The racially separated communities created by apartheid mean that people live far away from

work. This limits the time available to perform

all the functions of the family

o Impoverished families find it difficult or impossible to ensure adequate education and healthcare for children or to provide for the elderly and disabled.

o There is a high incidence of HIV/AIDS and an increasing number of orphan-headed

households.

o South Africa has a high incidence of interpersonal violence. A high proportion of

this is between family members. Interpersonal

violence is ranked as the second highest cause of morbidity in South Africa.

O Families may not necessarily assert the non-

racial and non-sexist values of the Constitution

Discrimination especially on the basis of gender, often takes place within family structures. Racism is imparted by parents onto their children.

The Commission suggests further analyses of challenges facing the South African family. This

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Should provide a basis for identifying appropriate policy interventions to make families better able to provide a loving, supportive, and safe environment; an environment in which values such as tolerance, diversity, non-racialism, non-sexism and equity are fostered.

Fostering constitutional values using schools and the school curriculum

Schools have an important role to play in building social cohesion, particularly given near-universal school enrolment. Schools can foster common values across language, culture, religion, race, class and space. Schools should help to produce inquiring

minds \200\224 people who are empowered to question and challenge prejudice whenever and wherever

they encounter it. It is therefore important that children are empowered to:

- O Appreciate diversity through respect and tolerance
- O Cope in an ever-changing environment
- *O Understand that rights come with responsibility
- O Help transform the national character of South

Africa \200\224 role of the X

In a democratic South Africa, schools should promote the values embedded in the Constitution.

The constitutional value of human dignity advancing

equality, human rights and freedoms informs the South African Schools Act (1998). The 2002 56/700/5 Values Manifesto set out the values which

should permeate the education system. These are: democracy, social justice and equity, equality, non-racism and non-sexism, ubuntu, human dignity, an open society, accountability, responsibility, the rule of law, respect and reconciliation. The School Values Manifesto and the Bill of Responsibilities outline methodologies to promote values in schools.

To foster these values effectively, all teachers must integrate them in their everyday practice and

interactions with colleagues, learners, the school management team and parents. Pre-service training, continuous school-based professional development and teacher-support programmes

must be instituted, to help teachers develop knowledge and skills to teach values in their learning

areas and across the curriculum. Syllabuses should mainstream democratic values in the curriculum as well as encourage the understanding that actions speak louder than words. Teachers and students

who live these values must be rewarded

All schools should use the Constitution and the Bill of Responsibilities to develop and implement a school value policy and broadly communicate. The process is as important as the outcome, because it will help the school and its community (education department officials, school governing bodies and parents), develop a common understanding of what values are embedded in the Constitution and the national curriculum.

The preamble to the Constitution embodies values

of the Constitution. To build a common understanding of what South Africa stands for, all schools should recite the Preamble to the Constitution at assembly, in a language of their choice. Similarly, workplaces should be encouraged

We the peop/e of 50uzâ\200\230h Afnca

Recognise the /n/ usages of our passages

o Honour those who suffered for /uszâ\200\230/ce and o
freedom n our /avnd

s Respeçzâ\200\230 those Wno nave Worked to bU//d _~ _: ;

and deve/op our counzâ\200\230/; and

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to display the Preamble on their walls. Â»

The role of the media

Access to information via print broadcasting and

the internet are vital for building an informed

citizenry. It also contributes to education and

economic development.

- The media has an impact on the values that people

value and the lives they aspire to. Radio, television,

film, and the other products of the culture-

industries provide the models of what it means to

be male or female, successful or a failure, powerful

people see in it.

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or powerless. Media culture also provides the

materials out of which many people construct their
sense of class, of ethnicity and race, of nationality, of
sexuality, of 'us' and 'them'. And, as an
organisations are not value-neutral. They carry the

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; informed, education and opinionated society and in values and ethos of their owners, the staff and readers. i | i

In South Africa, the Constitution and society give the media extensive freedoms. In turn, media

organisations have a responsibility to use these freedoms sensibly and in accordance with the

Constitution. The media have a responsibility to give adequate space to the voiceless and the marginalised without which an informed public

discourse is not possible. The media plays a critical role in nation building and building non racialism and non-sexism. They also play a role in building an

independent government to account; These are critical for democracy to function. The media should play

all these roles while at the same time, breaking

down racial and gender stereotypes. The media

o

) must promote the Constitution and also promote

the non-racial non-sexist and democratic ethos of

the Constitution. One way the media could do this

is by instituting a Constitutional Friday on the 1st :

Friday of every month

Legislation does support the electronic media in promoting progressive values.

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However the i

legislative and policy regime has become outdated and narrow, given changes in technology and media platforms. The current broadcasting policy review

process must ensure that the mandate to build the nation and promote constitutional values is

strengthened.

. The independence and autonomy of media |nst|â\200\224

tutions and regulatory bodies |nclud|ng the South African Broadca sting Corporation, the Independent

Communications Authority of South Africa, the

Press Council of South Africa and the Advertising'

Standards Authority should be protect'ed. ;

EQUAL OPPORTUNITIES INCLUSION \ (p

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AND REDRESS

Equal opportunity is about reducmg the |mpact of

facto,rs:such as gender,iethnclty, pI_ace_of b_irth and parental income and Weaith and f'amâ\200\231ily background

on peopies Ilfe chances Success in life should their orcumstances- atbirth.

Apartheid s-ysit'ematically andâ\200\234purposefully restricted the opportunities avaiiable to'th_e:majority of South Africans. Apartheid also restriCted'the majority from meaningful partiopation in the economy. Assets of millions of people were direct|y and |ndirectly

destroyed and access to skills and to self-

employment â\200\230was raaally restricted The i

accumulatlon process under apartheid confi nedthe creation of wealth to a racnal _minorrty and |mposed underdeyelopment on black â\200\230communities. The result is an economic strUCtu_r.e that today, in essence, still excludes the vast majority of South

Africans, In addition, networks play a major role in

finding work. Evidence suggests that about one third

of p'e_opie get jobs through a _family_ or a friend. In lâ\200\230

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communities with very highâ\200\231 unemployment rates, many unemployed people know very few employed _people. In contrast,

communities more people are themselves

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employers or know someone who has an opening.

The economy has neither grown rapidly enough nor transformed to ensure that all of society can progress. Low growth combined with poor quality education and low labour absorption has resulted in failure to create an environment in which an adequate share of benefits accrue to the poor or historically disadvantaged. Sectors that employ low-skilled people, such as agriculture, mining and construction, have either shed jobs or, at best, provided temporary employment in line with the cyclicalities of these sectors. Sectors such as retail and security have drawn in more labour, but not enough to offset the fall in low-skill employment. Sectors such as financial services, Information Technology and business services have grown employment, but predominantly for skilled people. Added to the mix is a critical shortage of skilled labour, which pushes up the salaries of skilled people. These trends have

es

contributed to rising wage inequality and inequality

in society. Meanwhile, persistent inequalities in themselves generate conflict over social and economic policies, so that people with capital do not feel comfortable taking long-term investment decisions. .

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How can South Africa enter a more virtuous cycle

of improving education, rising confidence, greater investment, increasing employment and incomes and ultimately leading to falling levels of inequality? Government heads to provide the catalyst for this virtuous cycle. It needs to remove the obstacles to faster economic growth, increase infrastructure investment, and improve service delivery (especially quality education). This would help to build confidence and encourage business to invest with a view to the long-term. Building trust and

confidence takes time and effort.

| O Young people, women, people with disabilities

and people living in rural areas face the highest levels

of unemployment and exclusion. The plan attempts

to reduce hindrances to inclusion. Inclusion related

proposals presented in detail in other chapters of

the Plan include:

O Reversing apartheid geography by establishing

new spatial norms and standards – densifying cities, improving transport, locating jobs where people live, upgrading informal settlements and fixing housing market gaps (see chapter 8).
O Strengthening the social wage and social security such that no South African lives below

minimum standard of living (see chapter 1).

• Growing the economy and employment so that 1 million jobs are created by 2030; providing a tax incentive to employers to reduce the initial cost of hiring young people as well as a subsidy to the placement sector to identify, prepare and place matric graduates into employment opportunities. Business should devise its own plan to increase access for young job seekers (see chapter 3).

O Implementing a rural development strategy that ensures that jobs are created in the agricultural sector through effective land reform, extending irrigation, improving basic services in rural areas to enable people to develop their capabilities, developing industries such as agro-processing, tourism,

fisheries and small enterprises (see chapter 6).

Only by reducing poverty and inequality through

broadening opportunity for all can the country achieve transformation. This transformational vision, which calls upon the use of resources, skills, talents and assets of all South Africans, is about advancing social justice and addressing

historical disparities. It is also about facilitating the

emergence of a national consciousness that

supports a single national political entity, and helps to realise that goal. This vision flows from the Constitution and its Preamble.

Economic transformation is defined by the Broad-

Based Black Economic Empowerment Act (2003)

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(BBBEE Act) as the empowerment of African, Indian

and Coloured people, as well as women, workers,

the youth, people with disabilities and people living in rural areas, through:

O Increasing the number of black people that manage, own and control enterprises and productive assets. .

O Facilitating ownership and management of enterprises and productive assets by communities, workers, cooperatives and other collective enterprises. |

d Human-resource and skills development,

O Achieving equitable representation in all occupational categories and levels in the workforce. |

O Preferential procurement.

d Investment in enterprises that are owned or

managed by black people.

Equalising opportunity and building capabilities ;

The task of creating equal opportunities and

building capabilities should begin with ensuring that

everyone has access to quality basic services (see chapter 4), quality health care (see chapter 10) and quality education and improved access (see chapter 9). Equal opportunity requires a commitment to

social infrastructure and basic services.

Quality education and skills training play a major role in tackling poverty. The government must urgently deal with infrastructure backlogs. A minimum infrastructure standards framework already exists and the government should develop a plan towards

achieving universal infrastructure equity in the basic

education sector Ensuring that all schools have the

minimum infrastructure standards will require financial, logistical or planning capacity. Delivery must be accelerated so that all children living in South Africa feel they truly belong and matter. The private sector could be encouraged that through

their corporate social investment to adopt a school

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especially those in formerly disadvantaged areas.

The government should develop clear proposals to improve school performance in poor schools, focusing on teacher development, school accountability and parental involvement (see chapter 9). The state must continue to skew education funding to schools in poor communities

and to students from poor families.

The state must guarantee all poor students who get a university entrance pass, and who qualify for the National Student Financial Aid Scheme, in the form of loans for entry to higher education. Learners from no-fee schools who get a university entrance pass should also automatically qualify for financial assistance. This should include full funding assistance covering tuition, books, accommodation and living allowance (in the form of loans and bursaries) to all students. The National Student Financial Aid Scheme already defines the grounds on which a student may qualify for financial assistance. Students who do not qualify should have access to bank loans, backed by state Sufi and recovered through arrangements with the South African Revenue Service. The only condition for keeping the scholarship should be successfully completing each year.

Financial assistance must also be available for students entering further education and training

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Constltutron and its Preamble specrf cally caIIIs for_

j redress The democratrç government then came

up wrth polrcres such as the Employment Equlty Act:~ u

of 1998 Skllls Development Act of 1998 Broad

Based Economrc Empowerment Act of 2003 and

b the Land Reform Pohcres ' : L

7 Employment equrty and workplace opporturnty

A Employment equrty |s a key element of theâ\200\231_â\200\230 ' country S plans to broaden opporturntles for the:'

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was dlstorted by apartheid the pohcy has a i¬\201rmvÂ»

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The Employment Equity Act (1998) states that f

two candidates have the same qualifications, similar

competencies and experience, then the b'lac'k" â\200\230

person or the woman s'hOUId' bÃ©'seleded Â¢ It doe's

not encourage the appomtment of people Wlthout'

the requisite qualrfcatlons competence â\200\230or |

potental The Act would enjoy broader support

and appeal among crtrzens if these provrsnons were

; rmplemented more consrstently and falrly

The rntent of the Act i rs for f rms to develop their

own human potential, spending time and resources

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v'me'ntoring and developingl _t:he'ir staff Staff training",. ; "

'c'areerâ\200\224pathing"and-'mobility in the workpla'ce wlll 0

grow both the' perSon and thef irm. South African â\200\230

) E,:employers spend too Irrtle on tralnng therr staff and .

: rnvestlng in their longâ\200\224term potental The Sklllsâ\200\230,

'iAccord facrlrtated by the Economrc Development' ';;::

v 'Department and srned in 20| I |sastep in the rlgth i

__d|rect|on If more f rms trarn staff the economy !

_'vdoes better-and themcentrveto Jobâ\200\224hop is reduced' &

fShortâ\200\224term solutlons such as overpayrng for scarce

i Skllls are counterproductlve to the longerâ\200\224term .

1 Zdevelopment of both the mdlvr dual and the f rm

| For at least the next decade, _race _s' should continue to
| be given the greatest weight in defining historical
| disadvantage. Individual business should develop
plans to at least double the size of their business,
and set employment targets that include

employment equity targets

| The government may need to review the present
vocational structure embodied in the Skills
'Development Act (1998) to ensure higher

investment on staff development

Career mobility' and rising incomes are more likely
in an economy that is growing rapidly. Selecting
suitable black and female candidates will be easier if
, the education system produces ever greater

numbers of skilled black and female work entrants

Transforming ownership of the economy

BEE largely focuses on broadening ownership and control of production assets. It aims to deracialise the top echelons of the business community. A thriving economy creates more opportunities for entrepreneurs and for the growth of small businesses. The details of the plan for the 2010 economy are laid out in chapter 3.

Preferential procurement, as well as BEE charters, the codes and the BEE scorecard drive the empowerment of the historically disadvantaged

Legislation requires that major companies meet

targets on the seven elements of BEE: ownership, management control, employment equity, skills development, preferential

procurement, enterprise development and

socioeconomic development. Companies with

turnovers of between R5 million and R35 million,

called qualifying small enterprises- must comply

with four of the seven elements Those with

turnovers of less than R5 million are exempt

The present model of BEE has not succeeded to the

degree that was intended in broadening the scope

of ownership and control of large firms.

Impediments include:

o Lack of capital to acquire ownership or control

of major parts of the economy. This has encouraged

- debt-driven deals that are only likely to work when

the economy is growing rapidly. Many, 'debt-driven' deals

provide a veneer of empowerment. Even in cases where black people are preferred in the awarding of licences to extract rents, such as in the mining or telecommunications sectors, fronting and lack of capital lead to poor participation and raise the cost of capital for other participants, or lead to an

excessive reliance on debt, thereby undermining

investment in capacity and production.

O An emphasis on narrow BEE in old
procurement models at the expense of local
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procurement. The effect is that a few people make
money by importing cheaper products. New
- approaches to promote local procurement in both '
tneâ\200\231public and private sectors aim to broaden the
e'co_nomic benefits that _accrue from economic
growth. At the same time, sensible pâ\200\231rocurement
: pohdes can enable black entrepreneurs to grow
more quickly and more visibly.

O Misaligned targets and definitions between the
BBBEE Act and the codes and the charters that flow
from that BBBEE Act and other redress legislation,
such as the Employment Equity Act 1998.

PropoÃ©als for transforming the ownership of the
economy contained in Chapter 3 include:
o Creating an enabling environment for small,
medium and micro enterprises and entrepreneurs

to thrive. This includes inculcating the spirit of entrepreneurship in schools, lowering the cost of doing business in the economy, and reducing

barriers to entry in various value chains.

O Ensuring that there is alignment amongst all BBBEE legislation and the codes and charters that flow from the BBBEE Act. This process has begun and should continue to ensure that the state procurement lever is used more effectively to advance socioeconomic targets in specific areas and industries.

O Mandatory targets for socioeconomic development and job creation as well as local procurement should be introduced for all tenders

above R10 million.

O A recommended statutory body to regulate BEE verification should be established and the Department of Trade and Industry be empowered to revoke the accreditation status of verification agencies that deviate from official processes of accreditation.

processes of accreditation.

O The National Empowerment Fund should have sufficient resources to execute its mandate. It must strengthen its support for black owned small and medium-sized enterprises as well expand the provision of finance and other support for new and emerging sectors, black industrialists and entrepreneurs. This should include facilitating market access, and the removal of administrative

and regulatory burdens on small businesses.

O The state must craft a model enabling South Africa to optimise returns from its natural resources. Optimised returns from mining companies should be used to drive an accelerated development agenda that has skills development

and sustainable job creation at its core.

The Constitution protects property rights and prevents confiscation of property without due compensation, but it also provides a legal, political and moral basis for redress measures such as land reform. The White Paper on South African Land Policy (1997) allows for land redistribution, land restitution and tenure reform. The principles underpinning land reform are threefold:

O Deracialising the rural economy

O Democratic and equitable land allocation and use across race, gender and class

O A sustained production dii¬\201cijplin_e for food security.

Overall progress has been slow. In 1994, the target for redistribution based on all three pillars was for 30 percent of land to be redistributed within five years. By 201 |, only 4.1 percent of land had been redistributed, most of which was state land. The redistribution of pfoductive land has been even slower: only 3.7 percent of agriÃ©ultural land since 1594,

Chapter 6, dealing with an integrated and inclusive rural economy, provides specific proposals to raise agricultural production and accelerate land reform in a way that focuses on the capabilities of farmers and communities to earn an income. The chapter also makes specific recommendations on land tenure in communal areas. These balance traditional authority with greater certainty for

female-headed households to invest in farming.

Living free from discrimination

The Constitution stipulates that neither the state nor any person may discriminate against anyone on the basis of race, gender, sex, pregnancy, marital status, ethnic or social ori'gin,b colour, sexual orientation, age, disability, religion, conscience, belief, culture, language or birth. However, the

historical legacy of discriminatory legislation means

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that there is still much work to be done to turn these constitutional principles into reality. Relatively comprehensive legislation exists; the problem is

ineffective implementation and enforcement.

Non-sexism

Gender discrimination remains a major problem in several social and economic settings, including the workplace, the family and educational institutions. This is despite a number of vibrant gender activists organisations and a number of state institutions whose purpose is to promote gender equity – including a dedicated ministry and legislation

devoted to ensuring women's equality.

The institutions dedicated to promoting gender equity have not been functioning optimally. The mandate of the Commission of Gender Equality overlaps with that of the Ministry of Women, People with Disabilities and Children. For example, the monitoring and evaluation function is both the mandate of the ministry and the statutory mandate of the Commission on Gender Equality. This results in role confusion and political conflicts over authority. The National Gender Policy does not set clear priorities and targets from which a programme of action could be developed. The gender mainstreaming approach is proving too difficult to put into operation, because it demands a high level of gender expertise and high-level political commitment.

The National Planning Commission calls for clarity on the roles and responsibilities of the different components of national gender institutions:

○ The country needs sustained campaigns that focus on changing attitudes and behaviour in relation to racist, homophobic and xenophobic tendencies. It needs to strengthen existing campaigns for non-racialism and gender equity, and against gender violence.

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○ The Commission of Gender Equality and the ministry should develop joint targets, indicators and timelines for monitoring and evaluating progress towards gender equality. These must be realistic, and should be accomplished through proper gender mainstreaming in departments. The government must address gaps and weaknesses in legislation. For example, the Traditional Leadership and Governance Framework Act (2003) entrenches patriarchal values and limits women's participation in traditional governance. Rather than a separate Gender Equality Bill, the Electoral Act (1998) could be amended to require political

parties to ensure gender parity in electoral lists.

O Local government should include more women at representative level, as well as in shaping budgetary priorities. Women are frequently marginalised in local politics and excluded from decision-making processes. Women's participation in integrated development planning is uneven.

Â¢

Â© All vulnerable groups including women, children, rural communities, gay and lesbian people and African immigrants should enjoy equal protection and their vulnerability to be addressed through effective and coordinated responses by the police, business, community and civil society (see chapter 12 for details).

O The fostering of Constitutional values through schools and the media should help create a tolerant and gender-sensitive South Africa. These institutions should empower people to challenge prejudice and discriminatory practices.

O Public employment should have a specific focus on women.

O Social, cultural, religious and educational barriers for women to enter the job market should be addressed. Concrete measures should be put in

_plaâ\200\230ce_to address these barriers and the resultsv'

should be evaluated over time. Improved: access to

safe drlnktn g water electricity and qualilty early

chlldhood educatlon could reduce the burden of

domestlc work and so make lt eaS|er for women to
seek job opportuntles. This is partlcularly so for

ru ral women.

o Secunty of tenure should be created forï¬\201

communal farmers espeoally women

me gaczalssrn

il An lmporant p|IIar of nation buildng is that Southv

Afn_ca con_fron ts the. _sy.stematlc raCism- w.lt.hn_n.l

society. . Sustained c:a'mpaignsâ\200\231b should foc_u.'s: : on

changing attltudes and behawour ln relatlon to raostf .
and xenophoblc (afrophoblc) tendenoes Thlsb.b :
.could |nclude holdng dlalogues at communlty:j
â\200\230(ward) level where communltles dISCUSS thelr.'

expenences of raC|sm and how lt could be

'addressed The Department of Arts and Culture

could run such an initiative in partnersh|p W|th civil

society bod_les and non-go_vernmental organlsatlons' '

~ operating in this area. Many antiÃ@xenophobia
initiatives already exist. For example, opposition to
~ xenophobia at the ward level has also become an

: integral part of the C.ommUnity WorkProgramme.

In South Afnca language and race largely go :'

together. The COï¬\202StItuthï¬\202 recognises | | official
languages, and promises them eqwtable status and

use. Given the ineluctably growing importance of

" CHAPTER 15: TRANSFORMING SOCIETY AND UNITING THE COUNTRY

English, lines of inclusion and exclusion will be

s-haped by the degree of competence that individual

'South Africans possess in this world- domlnant

language By 2030 every South Afncan should be
functlonally llterate in Engsh However South
Africans must continue to make dally use of

languages other than English. It is vital that these languages, which are used in family and social networks grow and flourish. This will only happen if their languages are cherished by their language communities and continue to be valued in both the spoken and written word. If stories are still told, poems written, songs sung, then the language will live, and its speakers will become multilingual.

Both the 'government' and society have to take active steps to ensure that this happens. For example, the government should fund arts and culture programmes that seek to promote South African knowledge of one another's cultures.

Since a few non-African South Africans speak any African language, a second challenge is to encourage those for whom an African language is not a mother tongue to develop at least a conversational competency in one of these languages. This will enrich the experience of the language learners. Both government and society should promote and celebrate this form of multilingualism. Knowing each other's languages can play a profound role in promoting understanding and developing social cohesion.

The Commission therefore proposes that every South African should study at least one of the nine official African languages at school. To achieve this aim will require as a first step, there should be an urgent development of effective and appropriate second-language curricula, materials and educators in the African languages. Adults who do not speak an African language should also be encouraged to learn one. Business should reward employees who develop a level of conversational competence in an African language.

The Bill of Rights states that all South Africans are equal before the law. Yet in practice people experience the law differently. Upper middle class households are often better served by municipal workmgclass counterparts. Schools provide better education to middle class learners. Streets, 4 band parks in middle class areas are better maintained and refuse collection and other municipal services are of better quality. Access to wealth enables people to experience better treatment before the law because they can afford better lawyers. Chapter 14 provides practical proposals that will help poor people access justice. The suggestions include:

- Extending community service to law graduates. This will increase access to legal representation especially for the poor and speed up the administration of justice in the lower courts.
- Developing an accountability framework that directly links municipal public servants to their roles and responsibilities in proportion to their functions and seniority.

PROMOTING SOCIAL COHESION
ACROSS SOCIETY

The key to the country's unity is embracing the

reality that all South Africans have many identities,

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and yet are South African. The Constitution, and the

values it sets out, is based on South Africa's diversity.

Similarly, all the imagery used in the South Africa's

coat of arms is distinctly South African, and the motto, in a distinct break with the Latin that is so frequently used, is from one of the traditional San

languages. It says "Ke e: /Karra //Ke", meaning "United in our diversity". Being South African has

never been premised on the notion of a melting-

pot. South Africans need to work continually to

build unity and diversity in

the province and national government than the reverse.

The totality of this Plan, particularly the issues identified

! summarised in this Chapter aim at building a new

nation and promoting social cohesion. The

National Planning Commission agrees with the

declaration of the July 2012 Social Cohesion

Summit that "dealing with the challenges of unemployment, poverty and inequality is critical to

building social cohesion. Yet we also need society to

Unite around a vision of a better South Africa the

attainment of which would not be possible if we do

not work together

As we continue our task of nation-building, we also

need to understand the context of globalization and transnational movement of people. As chapter 2 explains, South Africa has a significant minority of individuals with transnational identities that span the borders of any one country. Their skills together with the cross-border networks to which they belong can provide both economic and cultural

opportunities for South Africa's development.

Daily interactions on an equal basis build social cohesion and common understanding. These interactions will be promoted effectively when South Africans share more public spaces, as was the case briefly during the 2010 soccer world cup. At the moment, the country is divided by the services people use, with economic wealth gradually replacing race as the key driver of differentiation.

Improved public services, including better public transport, and more integrated housing, will make it

easier for South Africans to break out of their immediate communities and share common

experiences.

Sport teaches discipline, is an integral component of a healthy lifestyle and enables South Africans to share common space. Unfortunately, instead of sharing common spaces, and developing common loyalties and values through sport, South Africans and South African sport were systematically

segregated and underdeveloped under apartheid.

The transformation vision for sports in 2030 is that;

o) Participation_ in each sporting code begins to approximates the demographics of the country.

O South Africa's sporting results are as expected of a middle-income country with a population of about 50 million and with historical

excellence in a number of sporting codes.

For the vision to be realised, school sports must be adequately resourced. The government must

ensure, that there are adequate facilities for the

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

grassroots sport should also be encouraged.

Cultural activities and art can also play a major role in facilitating the sharing of common spaces. In addition art can foster values and facilitate dialogue

and healing, thus restoring pride among African, Indian and Coloured South Africans. This can only happen if the country supports and encourages the production of stories that facilitate healing, nation building and dialogue, as well as tell the histories and stories of South Africans. Artistic works can portray progress in building a united nation, but also by presenting the country's blemishes they can challenge South African to aim higher as individuals

and as a nation.

The creative arts sector should be supported by government and by the private sector as a sector that has a great potential for growth and job creation over and above its role of facilitating dialogue for nation building. The broadcast media, in particular the national broadcaster, should air programmes that popularise narratives and visions of a non sexist, non racial equal and democratic South Africa. In addition, commercial distribution networks could be incentivised to distribute and/or host art that contributes to nation building and dialogue, as well

as healing.

Cultural workers usually face insecure employment and incomes and often exploitative working conditions. Chapter | | identifies the lack of social protection for those working in the informal sector.

Beyond public employment schemes, the

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government should support compulsory contributions to smooth income for cultural workers. It should also develop a sectoral determination legislation framework to protect the more vulnerable employees in the arts sector, in addition to the protection already accorded child actors.

ACTIVE CITIZENRY AND LEADERSHIP

For these and other proposals in the plan to

become reality, all South Africans must contribute

and work towards realising the vision of a cohesive

society. The government needs citizens to speak out when things are going wrong. Several objective conditions can contribute to citizen activism and solidarity.

To start with, the government needs citizens to speak out when things are going wrong. This accountability mechanism is most effective where everyone depends on the same public services. Where the middle class opts out of public services, it no longer takes an interest in improving their quality. Investing in people's capabilities makes them more empowered. As people's skills and opportunities develop, they are better able to strengthen the work of the state by speaking out against

malpractice or poor performance.

Participatory governance is a central tenet of post-apartheid legislation on local governance. The White Paper on local government (1998) encourages municipalities to find ways of structuring participation to enhance, rather than impede the delivery process. While formal, generalised structures of participation were established through legislation, municipalities were also encouraged to develop their own mechanisms to enable the mayoral executive, municipal management, the local council, ward committees and communities to participate together in decision-making. Many

municipalities still need to make it happen and are

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encouraged to do so. Chapter 13 goes further and suggests that the state should focus on engaging with people in their own forums rather than expecting citizens to engage with forums created by the state. National, provincial and local spheres of government can enhance citizens' participation through a variety of two-way information gathering and sharing forums and platforms between citizens and government. While these platforms can enable government to inform, they also enable citizens to give feedback to government and to monitor

performance. In addition, these channels will allow all development actors (the individual, communities, NGOs, government and even the private sector) to use this information flow to develop strategies together that enable citizens to best claim their rights and exercise their responsibilities as envisaged by the Constitution. For this to happen there should be some level of trust among all the development actors involved

and the information gathered should be salient, credible and be seen as legitimate by all.

Citizen participation has an important role to play in bringing about transformation. South Africans need to use the avenues provided for in the legislation and others to help shape the development process and hold the government to account for the quality of services it delivers.

Active citizenship requires inspirational leadership at all levels of society. Leadership does not refer to one person, or even 'a tight collective of people. It applies in every aspect of life. In particular, community leaders and public figures should

demonstrate leadership qualities that include:

- 0 The ability to lead by example and to follow rules that apply to everyone.

- 0 Honesty, integrity and trustworthiness. Leaders are able to combine the ability to hold fast to a core set of values as enshrined in the

Constitution with embracing change and

O agitating for transformation

O The capacity to innovate, manage change, build enough support to drive an â\200\234essentialâ\200\235 and not necessarily popular agenda, communicating with people, keeping them interested and informed. |

Q i e ablllly to listen, espeoally to those with a
dnâ\200\230ferent opinion, perspectlve and or pnontles
Leaders should be able to create conditions
that allow everyone to communicate in open

~ dialogue. This requires tolerance, patience,

â\200\234openness to giving and receiving criticism, a

Wi_llli_ngness to admit

econ-mc row
Mflb M

mistakes, and an ability to re-examine one's

own presuppositions.â\200\230 .Ij_eaders must make the.
constitutional _mandate_ of public 'participatiOn

much more real, creating shared

understanding by b_u.ilding processes that allow

stakeholders to participate in decisions.

O Ability to promote meaningful inclusion,

: helping to overcome barriers associated with

class, ethnlaty gender dlsablllty and other _

factors of exclu5|on Leaders must seek to
empower the otherwise powerless bwldlng
bridges to other sectors of society, |nclud|ng

businessb,_-civ_il society, and faith-based

: lnvestme_nt and savings.

O communities, as well as to all levels of
government. |

O This is all-encompassing leadership that
empowers people and places them at the
centre of development. It is the visionary
leadership required to take the country to its

goals for 2030. It can act as a catalyst for change.

In the interests of shared responsibility for

development, South Africa must pay attention to the way that disputes are settled. It is vital to promote values of responsible citizenship and

solidarity. Nation building will come from

diverse people working together managing

resources creatively

FOSTERING A SOCIAL COMPACT

There are various understandings of the

concept of a social contract. However, at the

settlement that was produced through the negotiations in the 1990s and the Constitution which includes political and socioeconomic issues,

were effectively national compacts

There is now an urgent need to craft a social

contract that will enable South Africa to achieve

higher growth and employment increase.

The idea of a social

compact is a relatively simple one: all stakeholders

must buy into a clearly articulated vision have a shared

analysis of constraints and are committed to finding

solutions; and parties understand the objective of the compact. The compact should offer attractive (indeed compelling) benefits to each party and all parties should believe that the necessary sacrifices are relatively equitably shared amongst all

participants.

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core is an agreement among individual people in a society or between the people and their government that outlines their rights and duties of

each party while building national solidarity. The

There is a fairly standard approach to social 'â\200\230contracts internationally. In its simplest form, workers agree to accept lower wage increases than their productivity gains would dictate. In South Africa, there would. have to be scope to address very low pay in some industries and occupations in this context. In return, business agrees that the resulting increase in profits would not be taken out | of the country or consumed in the form of hlgherv v executive remuneration or luxuries, but rather reinvested in ways that generate employment as well as growth..

Government plays a key role in onvering the cost of living for workers (mainly as measured by the average inflation rate), implementing a social wage - and reducing the cost of business to further raise | profitability It mUst also find ways to m-onitor o e complnace and discipline partles if they fail to keep _:A /- up their part ofthe bargain.

- The complexities that make the crafting â\200\234and vim_ple'mentation, ofifa_â\200\230social contract _dif'ï-\201_cu'ltin South o Africa include:

- ~ Insufficient trust between the partles to ensure that the compact holds:
- Â© Workers do not trust that business leaders i willuse higher profits for investment

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Â® purposes ratherthan takmg the money out of the country or mcreasmg executlve remuneration. They have good reason to be - suspicious. Several studies, most notably :

Aghion and Fedderke, argued that profit margins are already very high in South Africa, even in the manufacturing sector. Thev high profits have not generated higher investment

levels because -many' of these markets are highly concentrated wrth low levels of : competition. In otherwords low profits may

not actually be the reason for low levels of

~investment. There may be a series of other

economic and political reasons. Some of

these need to be tackled by government,

~ sometimes to the chagrin of existing players

- (business and labour). This may mean the

social contract may not be _bâ\200\230ased on

increasing pro'ï-\201t_margins.

> Given deep inequalities, workers'do not see
â\200\231 why they should accept wage restraint Thls !
~concern can only be overcome if there is a

; _clear_ return interms of_ employment creation

and'grOWing equality across the eConomy:' [

Busmess does not trust labour to keep toits | -

word of low income increases for L

suff C|ently long period to ensure sustalned '

higher profits Moreover busmess may be

Â© less concerned about pay than about excessive legalism in labour relations, especially around disciplinary and productivity issues, and about shopfloor disruptions linked to hostile labour relations.

~ The â\200\234hassle factorâ\200\235 is often much more of a problem for employers than wage increases.

Â® Business does not trust government to be an independent arbiter given the relationship between the ruling party and the unions.

Â® Government too is suspicious of businessâ\200\231 ability or willingness to keep profits in the economy and to reinvest in the productive parts of the economy. Indeed in the era of globalisation, is it possible for any government to be able to discipline capital? Capital is mobile and is more easily able to avoid reinvesting locally than labour is able to move. This gives it more power in the political economy realm and distorts any attempt to enforce a social compact. â\200\230

Â©Â® The state may not be able to lower costs for workers and i-\201rhs. On the one Hand, strengthening the social wage could require raising taxes, which then reduces profitability. On the other, the state has been unable to discipline the various spheres and even national departments to redu'c_e unnecessary costs to the economy.

O The state may not be capable of acting as an independent arbiter wil'ling and able to 'punâ\200\230ish parties who break either the letter or spirit of a compact. State capability issues bedevil the chances of success.

O Representation may not be credible, institutions established for such engagements may no longer be useful and alternative institutions and methodologies may need to be crafted.

O The leadership of all parties may be unwilling to

O take risks and this is largely linked to lack of trust.

Nonetheless, a social contract would contribute substantially to providing the political, economic and social conditions for long-run development. The resultant accord must enjoy wide public support. It is also important to build confidence in the process of social compacts by making initial gains to balance sacrifices required and to audit and report on progress and shortcomings. For example even as negotiations continue government should invest more on social and economic infrastructure and deliver an expanding social wage to the poor, business should take a longer term perspective by investing more, and increasing employment and

training. Labour has to recognise that some wage moderation is required and efforts to raise

productivity are essential.

CONCLUSION

The shadow of history still lingers. The country is still divided along race and class lines. Social divisions

are underpinned by massive inequalities.

The fostering of constitutional values is critical to ensure that the country is able to emerge with a

new identity rooted in the Constitution.

Faster and more inclusive growth, redress and equalising opportunity will facilitate healing, reduce the need to fight for significance and enable inclusion. Employment does not just ensure that they have access to the means of subsistence, but also that they can develop the sense of empowerment that comes with a degree of economic security and the sense of contributing

actively to society.

Government provides basic services and invests in people's skills in order to build capabilities. A capabilities approach to development, with its focus

on what people are able to do, including people's

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ability to help monitor government is fundamental to broadening opportunities, an essential element

of the nation-building process.

Ensuring that South Africans are able to interact

across race and class will facilitate social cohesion.

The crafting of a social contract will enable all South Africans to aim towards a high-level development trajectory.

To build an inclusive nation, the country needs to find ways to promote a positive cycle, where an effective state, inspirational leadership across all levels of society and active citizens, reinforce and strengthen each other. The preconditions for this positive cycle were put in place in 1994, when South Africa started to grapple with the legacy of unequal access to services and opportunities. The

Reconstruction and Development Programme

NOTES

1. Packet G (2011). The Broken Contract: Inequality and American decline. United States of America: Council on Foreign Relations.

2. National Planning Commission (2011). Diagnostic Report.

3. *ibid.*

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embarked on the daunting task of extending basic services to all South Africans. These services matter, not only for their own sake, but also for what they enable people to do. Access to quality health care not only facilitates a healthy life, it also removes the fear and insecurity that could come from suddenly being thrown into debt by medical expenses. Education empowers individuals and opens up new opportunities, not just in terms of employment, but also through the increased confidence that literacy

brings.

Transformation is indeed about turning around the legacy of apartheid, equalising opportunities, building capabilities and making real the vision embodied in the Constitution of the Republic of South Africa; that is the establishment of a non-racist,

non-sexist, democratic and prosperous society.

4. Bentley K and Habib A (2008). Racial Redress and Citizenship in South Africa. Cape Town: HSRC Press

5. Mazwai (2012) Presentation to National Planning Commissioners Meeting 26 March 2012