

Press Release



**South African
Institute of
Race Relations**

South Africa's Leading Research and Policy Organisation

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Social spending up and defence down

Government spending on housing and social protection has increased more than any other kind since the African National Congress (ANC) came to power in 1994. Defence shows the biggest decrease, according to the South African Institute of Race Relations.

Since the ANC came to power defence expenditure as a proportion of GDP is budgeted to decrease by 54% from 2.6% in 1994/95 to 1.2% in 2013/14. As a proportion of total government expenditure it will decrease from 8.7% in 1994/95 to 4.1% in 2013/14, or by 53%.

These figures are contained in an analysis of government spending history and forecasts in the latest edition of *Fast Facts*, published today by the Institute.

The biggest increase in expenditure as a proportion of GDP (220%) over that period is accounted for by housing and community amenities. It is budgeted to rise from 1.0% to 3.2%. As a proportion of total government expenditure, it is budgeted to rise by 214% from 3.4% to 10.6%.

Social protection expenditure as a proportion of GDP will rise by 75% from 2.8% in 1994/95 to 4.9% in 2013/14. As a proportion of total government expenditure it is budgeted to increase by 74% from 9.2% in to 16.1%.

Expenditure on health as a proportion of GDP is budgeted to increase by 16% from 3.1% to 3.6%. As a proportion of total government expenditure health will increase by 13% from 10.5% to 11.9%.

The Institute said that education at 6.2% was still the biggest single spending item.

Total government revenue as a proportion of GDP will increase from 14.7% in 1960/61 to 22.5% in 1994/95, and further to 28.8% in 2013/14. This means it will almost double. Government expenditure will increase from 16.3% in 1960/61 to 27.1% in 1994/95 and to 32.6% in 2013/14. This means it will exactly double. The budget deficit will increase from 1.6% in 1961 to 4.6% in 1994/95, and then drop to 3.8% in 2013/14.

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