

# Press Release

## For immediate release

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South African Institute of Race Relations

*The power of ideas*

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## Sustainability of South Africa's social services net in doubt – IRR report

The proportion of the national budget spent on social services has increased from 45% in 1994/95 to 60% in 2014/15. This is according to the latest edition of *Fast Facts* published by the South African Institute of Race Relations (IRR). The IRR's analysis is based on information from the National Treasury. Social services include education, health, social security, housing and community amenities, as well as recreation and culture.

Some gains have been made as a result of this expenditure. For example, there is a lower proportion of people with no schooling while the proportions of people who have completed their secondary and tertiary education have increased. Nutrition among under-fives has improved three-fold since 2000. The number of people living with HIV has increased, which speaks to South Africa's extensive antiretroviral treatment programme, among other things. Also, there was an increase in the proportion of households receiving free electricity and water from their municipalities.

However, there are currently more people receiving social grants than are employed, a ratio which is not improving, and this calls the fiscal sustainability of South Africa's social support system into doubt especially where South Africa fails to escape its current low GDP growth trap.

IRR Head of Research Lerato Moloi said: "Rather than social services expenditure shrinking as democracy matures, it seems that many South Africans are left asking for a bigger slice of a pie that is not growing as quickly as it could. This suggests that a paradigm shift in Government's developmental policy model is necessary, so that employment and higher economic growth are prioritised."

Ends.

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