



A picture story - The legacy of a destructive ANC

Economists often measure things over time. There is nothing wrong with doing this, as it gives us an idea of how something has changed over time. Less often, however, we measure something relative to another similar thing.

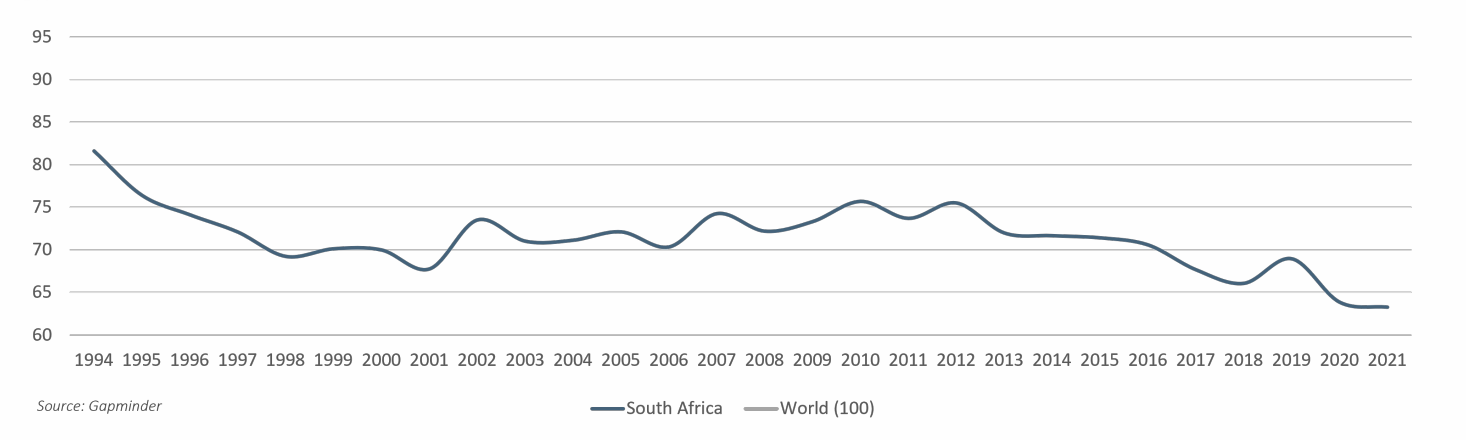
One example is that South Africa's (SA's) per capita gross domestic product (GDP) increased since 1994, indicating that we have made progress. But what picture will emerge if we measure SA's actual performance against other countries' performance?

And that is what this note is about: I am going to measure SA against other countries, or groups of countries, to get a better idea about our relative performance. Also, I decided to use certain variables, which I consider to be important. In fact, the single most important variable, as far as I am concerned, is life expectancy. Life expectancy correlates with everything that is good: Low levels of crime, quality education, wealth, and so much more. Although I have used these variables, I have also considered a few others.

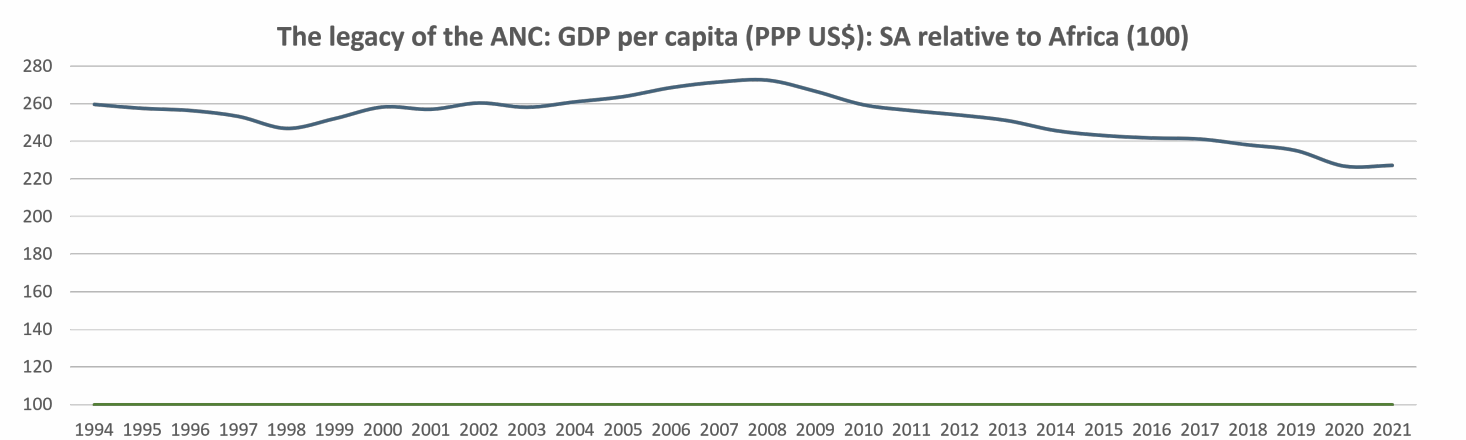
Just a side note: We (that is, the world) have never had it this good. The past two years were a bit of a hiccup, but the trends remain firm. Income, crime levels, war, child mortality... Just about every variable is either at their best levels ever or getting better. Even the giant panda is not critically endangered anymore!

Before I tell you the story of the ANC's legacy; what is clear is that SA performed poorly when measured against other countries and, in many cases, much worse. The only conclusion that I can draw is that the 'reason' for our dismal performance has to do with the destructive ANC government. Today, the ANC – in fact, the whole tripartite alliance – is a giant blob that lives off of the state. And the results are there for all to see. But let the numbers paint the picture that is worth a thousand words:

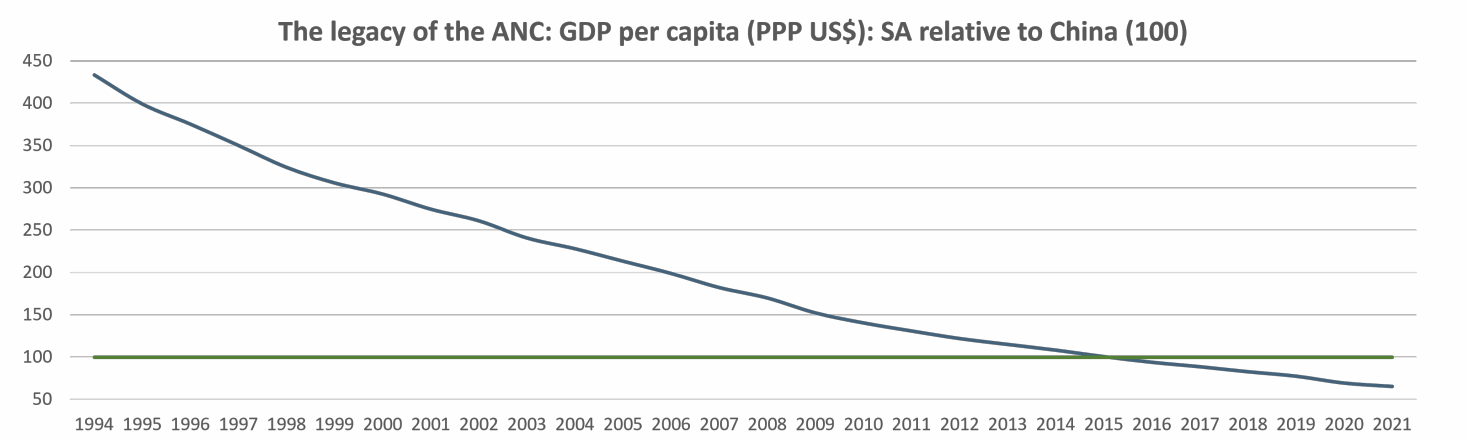
Since 1994, SA's per capita GDP, compared to the rest of the world, deteriorated by approximately 20% in relative terms. In 1994, our per capita GDP was close to 85% of the world's per capita GDP. Today, it is closer to 60%.



Even when compared to the rest of Africa, we have deteriorated. In 1994, our per capita GDP was 2.6 times that of the rest of Africa. Today, we are still much richer than the rest of Africa, but less so than in 1994.

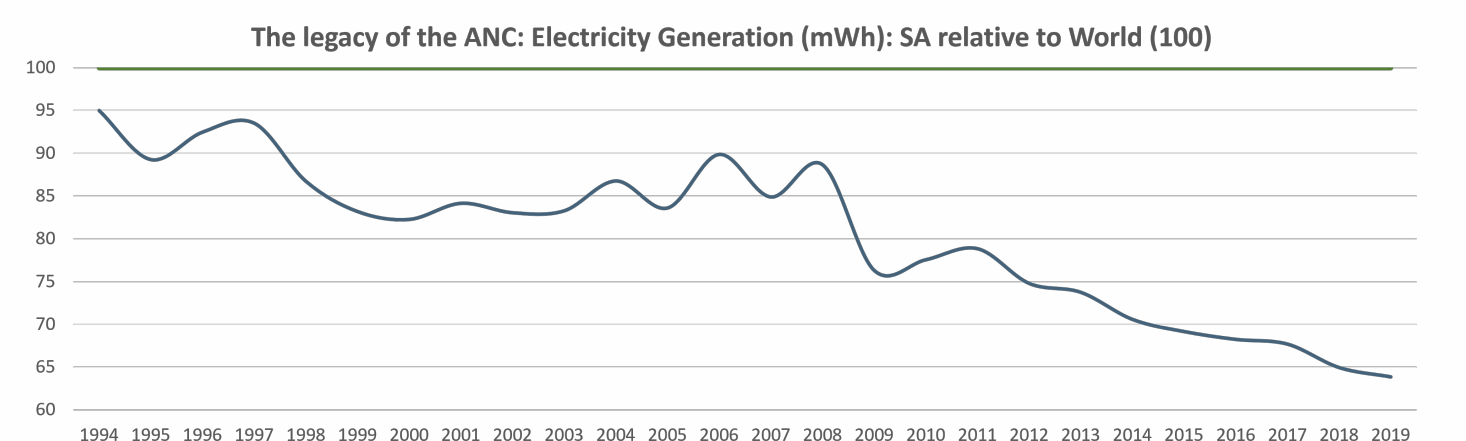


In 1994, SA's per capita GDP was 4.5 times that of China. The graph speaks for itself: Today, China's GDP is double that of SA's.

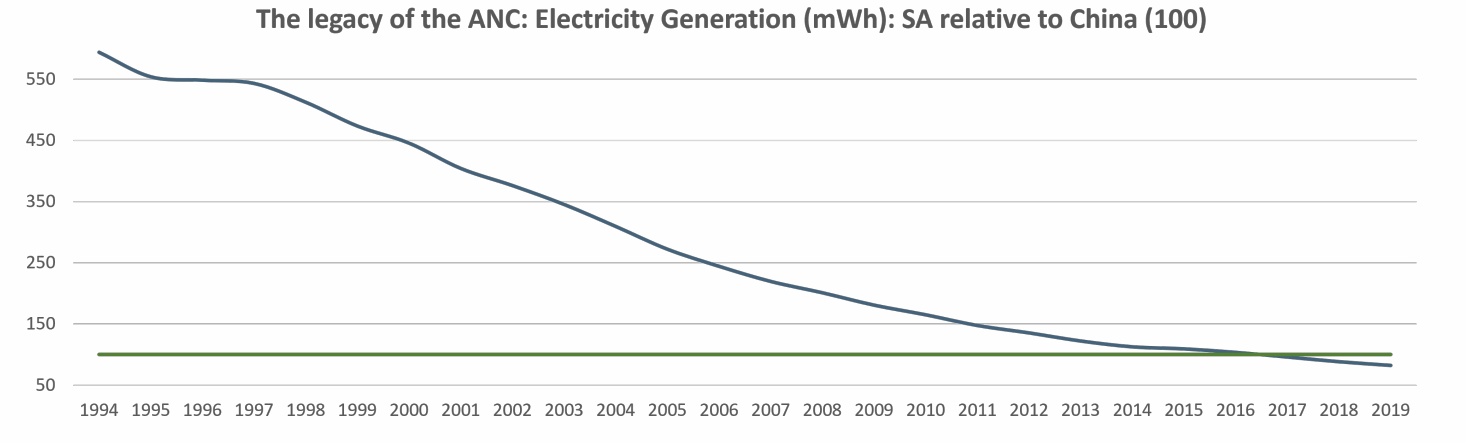


This shocking statistic explains a lot about our inferior economic performance. Do you remember cadre deployment? Do you remember state capture? Do you remember that President Ramaphosa had oversight over the Eskom 'War Room'? Do you remember how Pravin Gordhan kept on feeding the State-Owned Enterprises (SOEs) with your tax money and how he stood in the way of real restructuring when they eventually did appoint good management? Do you remember all of that? Well, here the horror unfolds...

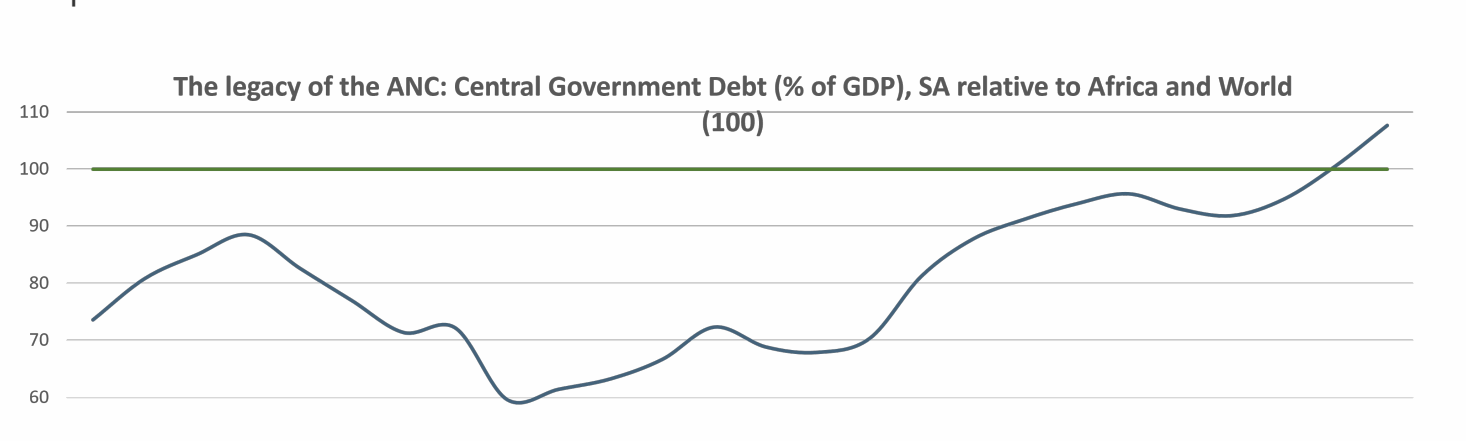
In 1994, SA generated more electricity on a per capita basis than the rest of the world (the graphs indicate a moving average). Today, we generate close to 60% of the world's average – a catastrophic collapse!



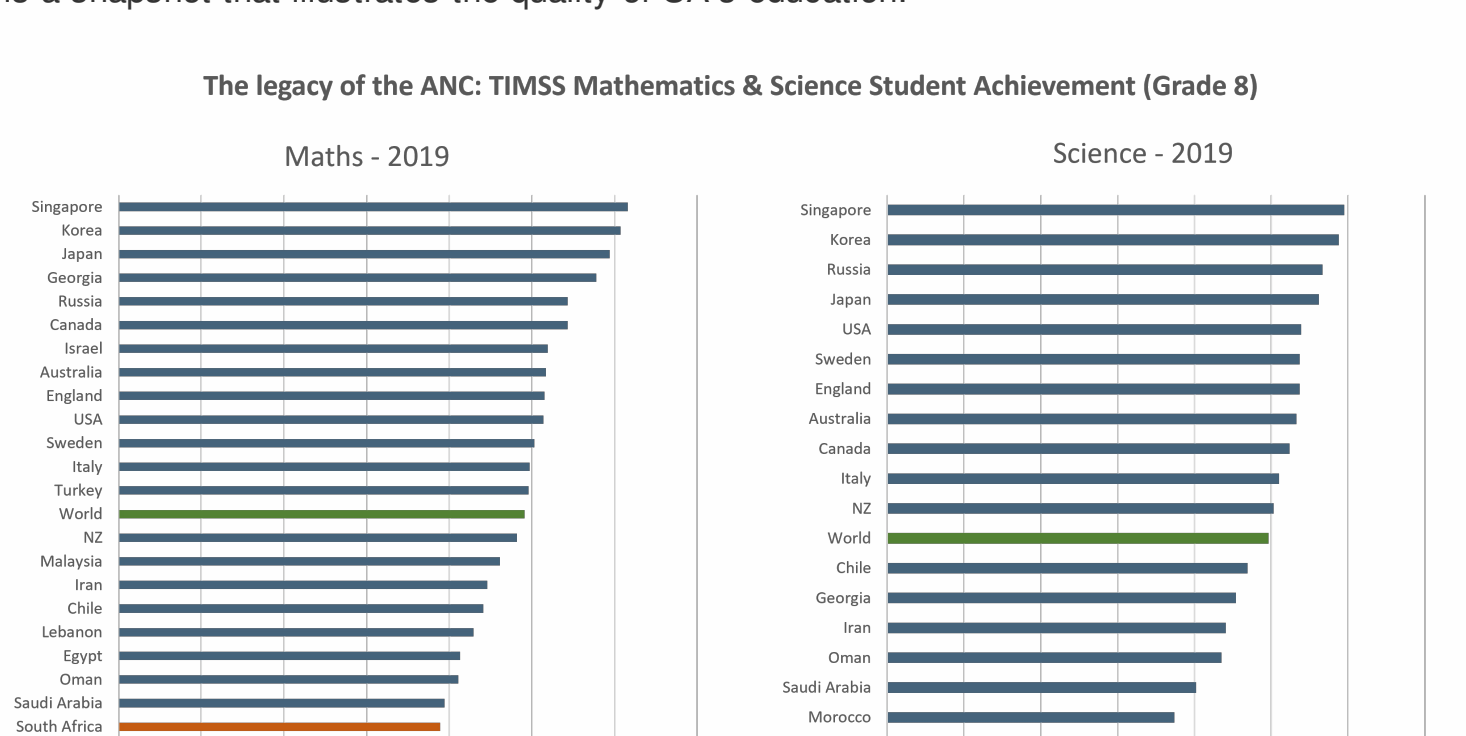
In 1994, we generated nearly six times as much electricity on a per capita basis as China. Today, we generate half of theirs. Is our economic performance surprising then?



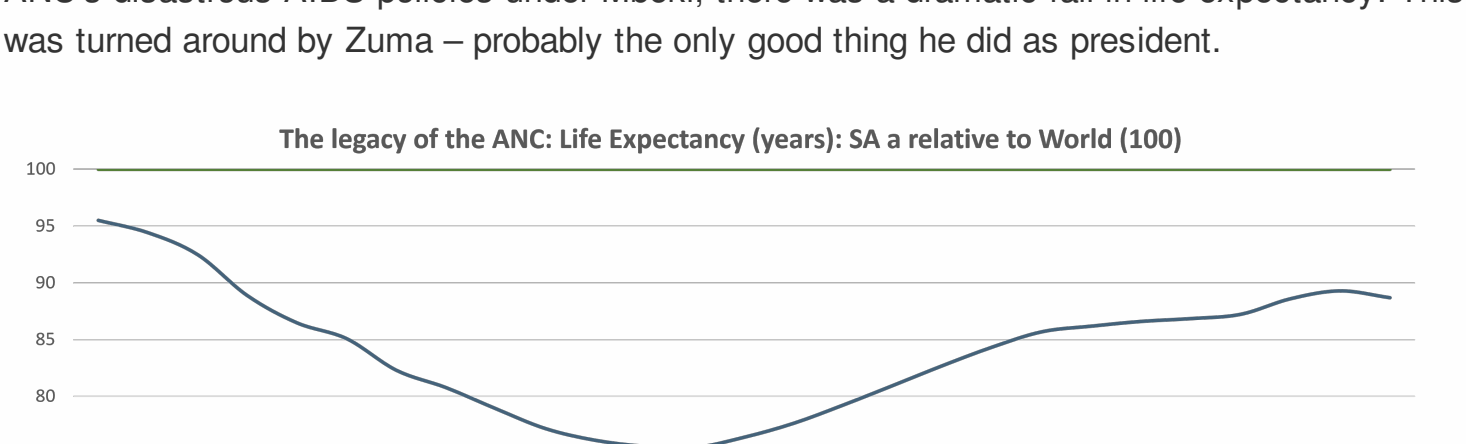
I often write about our fiscal accounts and how unsustainable they are. The following graph compares SA's state debt relative to the GDP of the rest of the world:



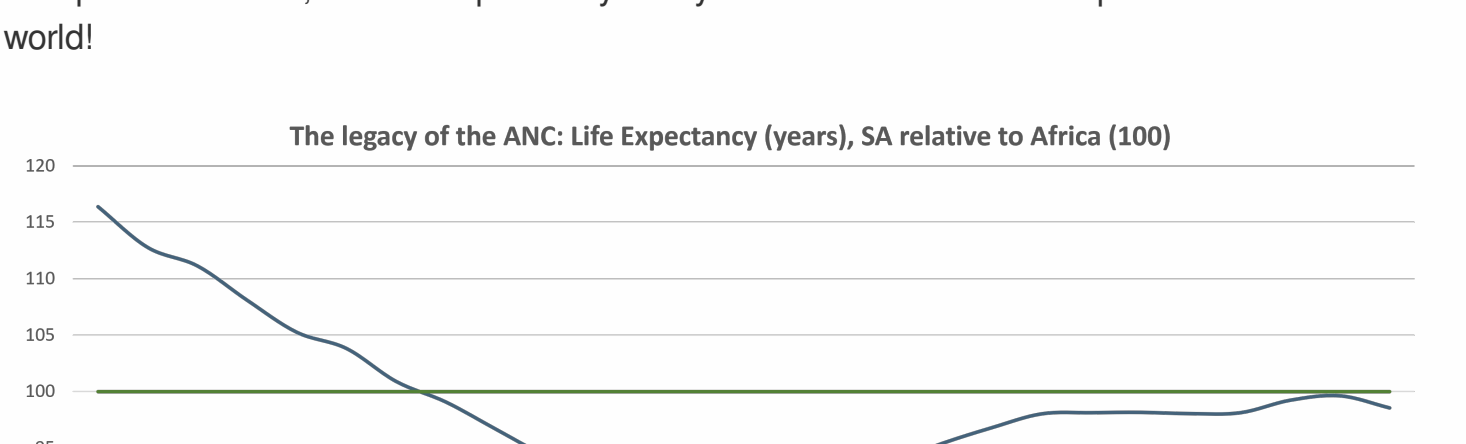
Just a reminder here that data is not always available over time. However, the following graph is a snapshot that illustrates the quality of SA's education:



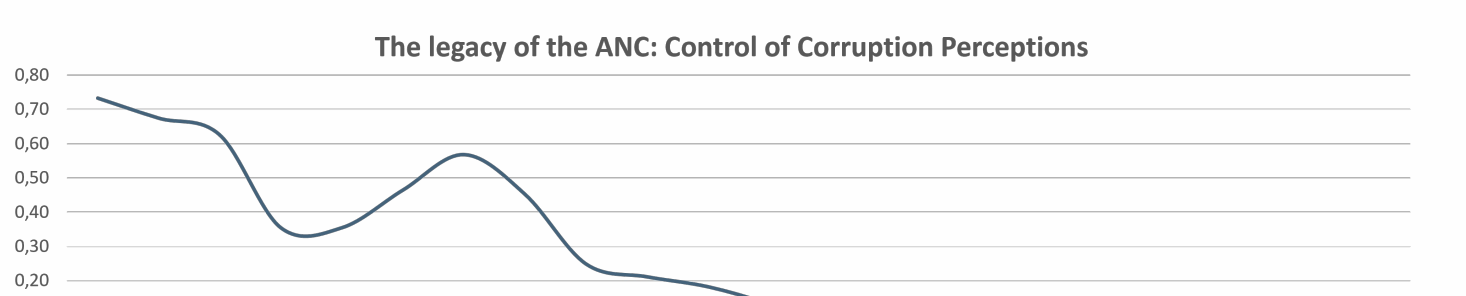
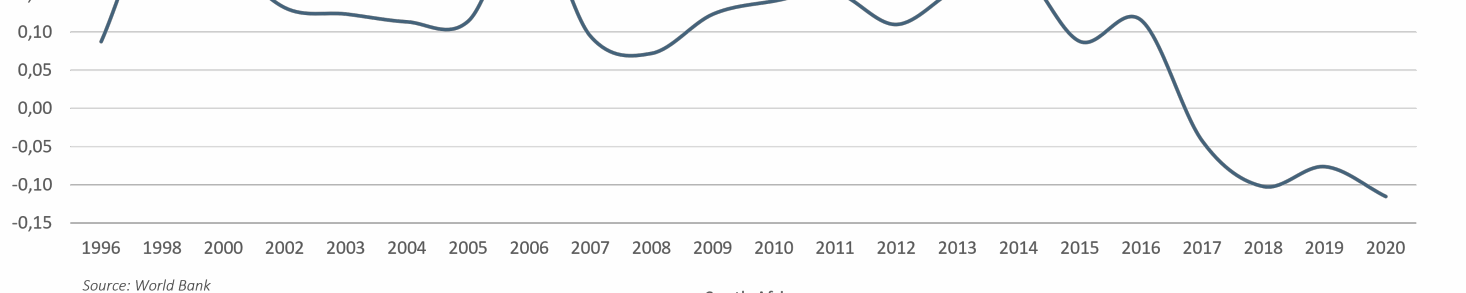
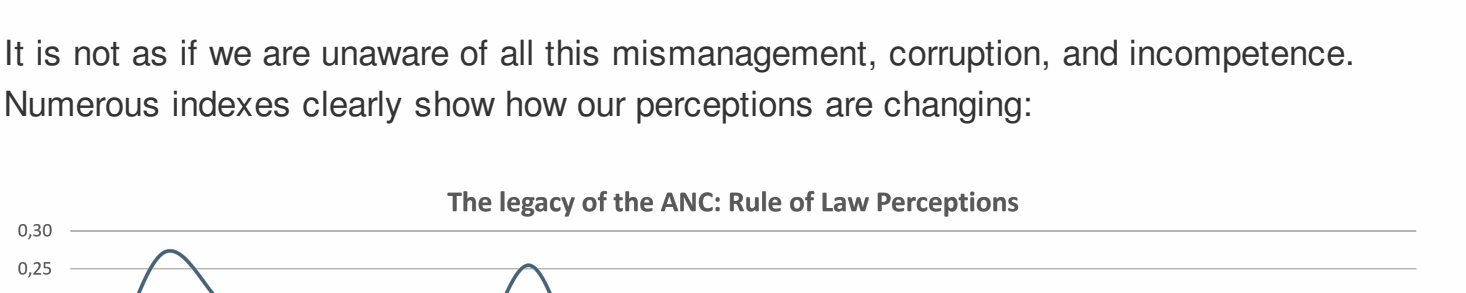
And now for the highlight of my story: As I have said, life expectancy correlates with everything that is good. In 1994, our average life expectancy was close to the world's average. Today, it is about 85% of the world's average. But take note of the trend: Because of the ANC's disastrous AIDS policies under Mbeki, there was a dramatic fall in life expectancy. This was turned around by Zuma – probably the only good thing he did as president.



Compared to Africa, our life expectancy today is lower than that of the poorest continent in the world!



It is not as if we are unaware of all this mismanagement, corruption, and incompetence. Numerous indexes clearly show how our perceptions are changing:



On the last graph, we see that the middle 1990s was a time of political upheaval and violence. After 1994, there was a dramatic improvement but, in recent years, political instability has returned.

My picture story does not show a successful country with a diligent, responsible, and effective government. And despite all the promises of a 'new dawn', I do not see things changing. But as they say, a country gets the government it deserves.

Monday is Election Day, and you deserve better!

**Dawie Roodt**  
Chief Economist of the Efficient Group  
dawieroodt@efgroup.co.za

t: 087 944 7999 | e: info@efgroup.co.za

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