

Essay synopsis: Thato Kola

The winds of change swept across South Africa at the beginning of 2018, writes Thato Kola. President Cyril Ramaphosa announced various initiatives to set the country on a 'new dawn' path of growth, employment and transformation, including a jobs summit, an investment conference, and an economic stimulus and recovery plan. The objectives of these initiatives included reviving the ailing and stagnant economy, attracting new investment capital, and addressing high unemployment levels.

Thato notes that there has been little effect as a result of Ramaphosa's initiatives in the short term: the economy has continued to contract, business and consumer confidence are still at very low levels, the economy has shed jobs and the unemployment level has continued its upward trend.

Thato adds that a number of factors external to the economy have over the same period weighed heavily on the local economy: the global economy has continued to grow at a sluggish rate, while global political risk has increased due to continuing trade wars between the USA and China, the Brexit debacle and rising crude oil prices.

In the long term, it's difficult to assess the likely outcomes of Ramaphosa's initiatives on the economy and job creation, Thato says. Three important aspects the Ramaphosa regime needs to focus on in order to fulfil its 'new dawn' mandate are prudent fiscal management, an efficient and capable government, and pro-poor socioeconomic policies.

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