

Lebo Siboyi

Besides South Africa, there are only seven other central banks in the world that still have private shareholders, so should the South African Reserve Bank be nationalised, it would simply be following world trends. But, says Lebo Siboyi, nationalisation and change in the mandate of the South African Reserve Bank will result in the bank's losing its longstanding independence.

Government intervention could result in irresponsible monetary policy and that will affect the transparency of the Reserve Bank and cause uncertainty as to whether the bank will maintain its objective of maintaining stable inflation. This could negatively affect the already weak South African Rand.

Given the level of corruption in South Africa, changing the ownership of the Reserve Bank could result in its becoming a failed SOE in years to come, as the trends have shown that South African SOEs are usually a 'hotspot' for political corruption.

The Monetary Policy Committee has also argued that a change in the ownership and mandate will be a costly process due to the change in legislation and the re-engineering required, resulting in the benefits of nationalisation and the change in the mandate being outweighed by their costs.

The economic problems that South Africa is facing cannot be resolved by nationalising the Reserve Bank. They can only be solved by the implementation of much-needed structural reforms, and the government ceasing to bail out failing SOEs.

BIO

University: University of the Witwatersrand

Funding: GEFT Bursary

More about Lebo

Favourite subjects: Macroeconomics, Econometrics, and Development Economics.

Interests: Development, research and music.

Inspired by: My mother; American political economist Elinor Ostrom; and research fellow

at Public Affairs Research Institute Thokozani Chilenga-Butao.

Main achievements: Recipient of a Genesis Analytics award in 2019, and deputy-chairperson for the Wits Promise Society in 2020.

Community activity: In 2019 I tutored first-year Economics and Business Statistics at the University of the Witwatersrand.

In 10 years' time ... I see myself with a PhD in Economics, and contributing to the development of Africa.