

Lindokuhle Luke

Lindokuhle Luke argues in favour of nationalising and changing the mandate of the Central Bank of the Republic of South Africa, so that employment creation and economic growth can form part of its objectives, alongside price stability, while maintaining its independence from government and political pressure.

There are only eight central banks in the world under private ownership, with Austria having been the last central bank nationalised, in 2010. When the Austrian reserve bank was nationalised it is said that it went on unnoticed by its global counterparts.

South Africa has an unemployment rate of 29.1% and had a real GDP increase of only 0,2% in 2019 – hence the calls for monetary-policy intervention to reinvigorate the economy, and accelerate growth and employment at a sustainable level.

The South African Reserve Bank might see itself facing an incredible amount of pressure from political parties to nationalise, but news of state ownership of the bank tends to rattle investors and threaten the stability of the currency. Another discouraging factor is that the state would have to resolve how it will compensate the current shareholders.

On the plus side, a change in ownership of a central bank does not automatically translate into a change in the day-day management and mandate of the bank. The independence of the South African Reserve Bank is anchored in the Constitution, and the Monetary Policy Committee sees to the conduct of monetary policy.

BIO

University: Unisa

Funding: Savings/credit card

More about Lindo

Favourite subjects: Macroeconomics, History and Banking.

Interests: Art (painting), wildlife, soccer and economics.

Inspired by: My mother, and positive thoughts of success.

Main achievements: First place in matric Business Studies, Nelson Mandela Rhodes bursary beneficiary (NMMU), top regional performer for Capitec Bank.

Community activity: Volunteer at Ekuphumleni Old Age Home in New Brighton.

In 10 years' time ... I'd like to be a lecturer, and an advisor to the Governor of the Reserve Bank, while running my own NPO focusing on kids affected by abuse.