

Luyanda Matomane

The South African Reserve Bank is responsible for controlling inflation and ensuring that price stability is maintained, says Luyanda Matomane. It enjoys operational autonomy and is directly accountable to Parliament: although independent in its operations, it must consult regularly with the government regarding its decisions.

The ANC has agreed that the mandate of the South African Reserve Bank should be amended and expanded beyond price stability to include economic transformation and job creation, to help the country deal with the challenges of unemployment, poverty and inequality through using instruments such as quantitative easing.

Evidence suggests that central banks that have independence are associated with better economic performance in terms of lower inflation rates and less output variability. On the other hand, some economists have argued that the concept of central bank independence is at best irrelevant and at worst damaging to economies where the key macroeconomic challenge is raising inflation and not lowering it.

The Reserve Bank protects the value of the currency in the interests of balanced and sustainable economic growth; employment is an outcome of economic growth, because when the economy grows, so does employment.

The conclusion reached is that the mandate of the South African Reserve Bank should not be changed, as changing it would create more economic problems than it would solve. Economic transformation and job creation is and should remain the responsibility of the government.

BIO

University: University of Fort Hare

Funding: Bursary

More about Luyanda

Favourite subjects: Economics (both Micro and Macro), Econometrics, and Financial Economics.

Interests: Sport, music and books.

Inspired by: People's success stories.

Main achievements: Top achieving student in matric Economics, Accounting and Business Studies.

Community activity: Part of a societal group that tackles issues facing the Fort Hare community.

In 10 years' time ... I see myself as a business mogul, and one of the top economists in South Africa.