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Press release

Economic Forum held at Senate House, Solomon Mahlangu Building, University of the Witwatersrand, Johannesburg on 2018-03-02

Innovation, imagination and change. These are the 3 major themes that came out of the event hosted by the Wits School of Construction Economics & Management (CEM) on Friday 2 March 2018 at the University of the Witwatersrand in Braamfontein. The discussion forum engaged academics, industry professionals, investors and policy makers in economic dialogue seeking to analyse and understand the complexities of economic growth that South Africa faces.

The question posed at the outset of the discussions was: What major economic policies has the ANC government enacted since 1994 to turn around the South African economy and stimulate economic growth? Have such policies been successful? If not, why? Structured as a panel discussion, the forum provided a platform for guests to engage in economic dialogue on these questions.



Panellists from left to right: Dr Sitsabo Dlamini, Balulekile Sanqela, Mmakwena Selepe, Mohale Mahasha, Lumkile Mondi and Prof Dave Root

Innovation

In his prelude, CEM Lecturer and author of the book titled 'The contribution of the infrastructure sector to economic growth' Dr Sitsabo Dlamini asserted "A lot has been said and done in as far as policy development is concerned in South Africa. We have learnt all that we want to know about how the economic system works. The time has come for action! Opportunity has spread its wares before us. It is time to step up to the front!"

Dr Dlamini argued that the ANC government has been toiling for 24 years now through various policy propositions to turnaround the SA economy and pull the majority of citizens out of the quagmire of poverty. He posed the questions "How well have we been innovative in implementing the various policies? How can the South African government help ensure that innovation is translated into new products and techniques that can help society meet the global challenges of the 21st century?"

The Head of CEM Prof Dave Root gave a perspective on how CEM is responding to the challenges of built infrastructure development in the country. In his address, Prof Root reiterated the significance of infrastructure in the economic growth equation as promulgated by Dr Dlamini in his recently published book. He said “We are proud as CEM to have a person like Dr Dlamini as part of our school. He has chosen a different research path to what most of us are doing as far as research is concerned. He is probably the first person in South Africa to study the linkages between infrastructure and economic growth.”



Prof Dave Root giving his perspective on how CEM is responding to the challenges of built infrastructure development in South Africa. On the far right is Ronnie Siphika: Chairperson of CIOB Africa Novus

Prof Dave Root indicated that “As CEM, our vision is to become a leading centre for education and research in built infrastructure development through using innovative teaching, research and engagement with industry, to address the needs of a transforming society.” Responding to Dr Dlamini’s question of how well South Africa has been innovative in implementing policy since the dawn of democracy in 1994, Prof Root asserted that “The importance of innovation cannot be over-emphasized in the context of the economic growth challenge facing South Africa. In the words of Albert Einstein, we cannot continue doing the same thing over and over again, but expect to get different results.”

Are the ANC economic policies paying off? This question was debated at length, with panellists taking different lines of argument and stating their individual perspectives. Different scenarios were stated both by panellists and attendees as the underlying reasons for policy failure over the past 24 years of democracy. Inadequate capital, lack of innovation and government failures such as corruption were cited as some of the reasons for slow economic growth. There was consensus on the suggestion that the influence of innovation into new fields of endeavour was significant for growth.

Imagination

The keynote address in the forum was presented by Mr Lumkile Mondli, a Senior Lecturer in the Wits School of Economic & Business Sciences. In his address, Mr Mondli said “To take the policy background outlined by Dr Dlamini in his prelude forward, I will try and place the evolution of the economic policy of South Africa in a global context. With the emergence of Brexit and America first agendas, the West can no longer claim dominance in leading the global economic agenda. There is an urgent call among developing economies to respond to the forces of anti-globalization. New formations such as the BRICS bank are seeking to replace the traditional roles of the Bretton Woods institutions in developing economies.”



Facilitator Mr Sihlwele Myeki fuelling the discussions

The Facilitator of the panel discussion Mr Sihlwele Myeki started by saying “We have heard from Dr Dlamini’s prelude how the ANC government has rolled out different economic policies since 1994. “Up until now, we have not seen the economic growth and job creation figures anticipated”, argued Mr Myeki. He then posed a question to the panellists saying “Why is government’s huge investment in infrastructure not yielding the desired outcomes? Why are the jobs created (if any) not visible?”

Deep insights on the possibilities South Africa were shared by the panellists, which fuelled robust discussions with the attendees. Mr Mmakwena Selepe, Acting DDG: Education and STARS Infrastructure in the Gauteng Department of Infrastructure Development was one of the panellists. He argued that the responsibility to grow South Africa’s economy could not be left to government alone. “It is only through the labour and ingenuity of people who have imagination for sustainable solutions that South Africa can achieve the growth and better life for all, which is envisaged in most of the ANC policies. We can create anything we can imagine. If you look at infrastructure development in all tiers of government, you see many opportunities for imagination” asserted Mr Selepe.

Change

There was general consensus in the discussion that while some progress has been made since 1994, persistent low levels of economic growth were concerning. The notion of radical economic transformation was discussed at length. Weaknesses in SOEs, investor confidence and corruption were identified as some of the major issues that undermine growth. The need for change came out very strongly.

The discussion of the choices made by the South African government with regard to industrialization, technology, openness to trade and the balance thereof was predicated on the fact that the government is the one that makes these choices. Contradictions were flagged in the context of emerging anti-globalization trends, such as Brexit and America first agendas. Therefore, there is need for government to change its approach to globalization to counter such contradictions that are emerging.



Attendees asking questions and engaging in robust debate over a variety of economic growth issues

Mixed views were expressed regarding rural-urban migration. Problems facing the rural areas as a result of urban migration were debated. The attraction posed by urban living has meant that urban areas are growing faster than they can cope. There was a strong view that government often pays lip service in committing to improve conditions in rural areas through institutional and technological reforms. The general view was that such reforms have not been successful in improving living standards in rural areas nor decreasing hunger and poverty, hence the need for change.

Conclusion

In her concluding remarks, the Programme Director Ms Ella Makhosazana Veyi said “Let me take this opportunity to thank our Panellists here for taking their time to come and share with us their wisdom on the various issues discussed. I also wish to thank all of you, the attendees, for raising so many important issues and for expressing your thoughts in the way that you did. Your interest was clearly evident by the range of questions asked and the plea to continue the discussions beyond the time scheduled for the event. Thank you very much!”



Ms Ella Makhosazana Veyi making her concluding remarks

The panellists included:

Prof Dave Root: *Head of School in the School of Construction Economics & Management*

Dr Sitsabo Dlamini: *Lecturer in the School of Construction Economics & Management*

Mr Lumkile Mondli: *Senior Lecturer in the School of Economic & Business Sciences*

Mr Mohale Mahasha: *Chairperson/CEO at MBT Group*

Mr Mmakwena Selepe: *Acting DDG in the Gauteng Department of Infrastructure Development*

Mr Ronnie Siphika: *Chairperson of CIOB Africa Novus*

Mr Balulekile Sanqela: *Chairperson CEM Students' Council*

Favourable comments about the event were received afterwards. Mr Mmakwena Selepe had this to say, “I appreciate having been part of the energy that made Friday the 2nd March 2018 a key mile stone date in the birth of a new thought perspective. Nations fail because they can't discover their own value. May South Africa fail no more. Thanks to all role players.”

Given the positive feedback received, there is no doubt that the forum has been successful in achieving its goals of fuelling thought and providing a platform for discussion on topics pertinent to economic growth. According to Dr Sitsabo Dlamini, who is the Convenor of The Economic Forum, similar events to further explore many of the ideas presented in the forum will be hosted in the near future on dates and times to be confirmed in due course.

Enquiries:

Ms Claudia Abrahams

Secretary: School of Construction Economics & Management

Tel: (011) 717 7669 Email: Claudia.Abrahams@wits.ac.za