

# Levelheaded speech despite political runctions

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23 Feb 2017

This year's budget speech comes amid heightened political tensions and infighting within the ruling party, which appear to have a direct impact on the future of Treasury, and ultimately on Finance Minister Pravin Gordhan himself.

However, Gordhan's levelheadedness ensured that the country is not deprived of its right to hear an honest analysis of where we are economically and our government's strategies to move the country forward.



## Stuck in economic rebuilding phase

Our national economic policy framework needs to respond to, amongst others, the ratings downgrade fears, low economic growth (both locally and globally) as well as recent international developments which are still expected to play out in the near future, and which will not play out in isolation from our own plans.

To my mind South Africa is, at the moment, stuck in an economic rebuilding phase following various policy amendments enacted after the 2007 global financial crisis aimed (in general) at restricting downside risk.

The period prior to this, from 1994, was characterised mainly by rapid economic expansion, led by unprecedented private sector investment and increased business opportunities, as well as accelerated government expenditure.

For a variety of reasons these economic drivers have now plateaued and we now need to find new ways of stimulating growth again and arresting the wasteful outflow of resources by prioritising our spending better. This is even more possible if we all work together. The minister's speech strikes a chord with this sentiment, as he mentioned that "we need to build the widest possible partnership to promote consensus and action on a programme for inclusive growth and transformation".

We believe that this is a step in the right direction if we are to succeed in this rebuilding phase. The rebuilding process will result in another significant milestone for the South African government – and that is regaining people's trust.

## **Electoral lack of trust**

It is no secret that the South African government needs to regain the trust of the people it is serving by delivering on the numerous electoral promises made over the years.

The #FeesMustFall movement, the service delivery protests, the falling voter turnout numbers versus total registered voters and the general sentiment of displeasure with our government leadership are all signs that trust has waned.

Perhaps, what has contributed mainly to this status quo is the feeling that the economic boom of the past didn't really translate into shared value, as arguably only a few have the bells and whistles to show for it. Remember Marikana? This has, to an extent, also led to a breakdown in the social contract between the government, business and the people. It is now us and them.

## **Willingness to do the right thing**

If we are to take one thing from the minister's speech it is that, with willingness and commitment to doing the right thing, as a country we can fix what is broken. Together we can rebuild this country, if not for us, then for the generations after ours and we can certainly achieve the principles of shared value implicit in our social contract with government.

We are therefore likewise encouraged by the plans laid out by the minister in his speech in an attempt to arrest the uncertainty which has proven to be a barrier to businesses and individuals investing further in their futures, while also working towards transformation and fighting inequality in our society.

We are also optimistic that the willingness, commitment and enthusiasm needed to achieve said plans will be shown by leadership across the political and business spectrums.

## **ABOUT THE AUTHOR**

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