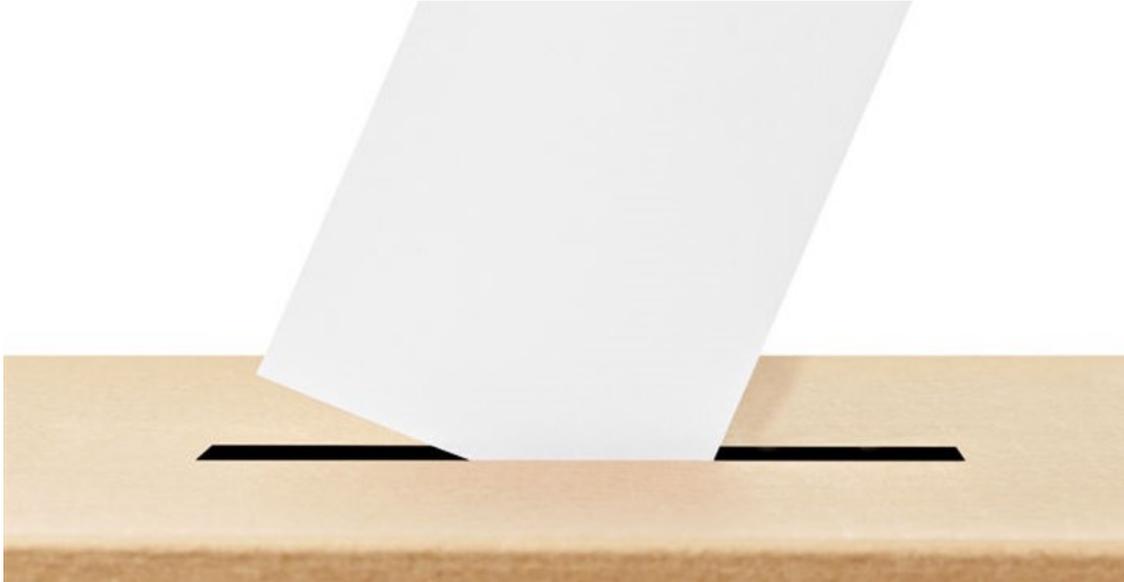


SA needs a peaceful and disciplined election process

 By [Ryan Ravens](#)

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Last month, days of looting and violence sent an anxious shiver down the spine of corporate South Africa. The eruption of civil unrest following the ANC's announcement of its mayoral candidate for Tshwane was cause for grave concern as it created the impression of a ruling party at war with itself.



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These events were, by their own admission, the work of ANC leaders and factions in the region. It pointed to a ruling party that has lost touch not only with the realities of the country, but with its own structures. The level of civil unrest and poor discipline once again highlighted the lack of credible leadership and a legitimate point of authority at the helm of the party.

Political stability key to retaining investment rating

Given that our national attention was firmly focused on a potential ratings downgrade in June, it is incredible that we now completely disregard the commitment made to political stability. It cannot be overstated just how important political stability is in order to retain our investment status over the coming months.

This was one of the key concerns noted by ratings agencies in their assessments, and a factor that has become highly sensitive globally following the unexpected decision by the UK to exit the EU. Unstable political environments result in civil unrest and policy uncertainty, which inevitably translates as risk for corporates, and in an increasingly unstable world investors are gradually seeking safe refuge away from emerging market economies such as South Africa.

Symptoms of broader socioeconomic issues

These rapidly escalating incidence of disquiet are, however, about more than just a lack of credible leadership within the ruling party. The level of civic discontent is symptomatic of broader socioeconomic issues such as unemployment, and lack of equal opportunity. We have failed miserably to create sustainable employment for the vast majority of our youth and the challenge grows every year as our economy starts to stagnate and slide backwards.

Most of the jobs we have created during the past 10 years have been in the public sector and much of that was closely tied to political patronage networks. Over the same period, the private sector has remained static as the global economy contracted, resulting in a situation that is simply unsustainable as public sector growth is funded from private sector taxes.

Goodwill engendered by Madiba long since eroded

More than 20 years after the dawn of democracy, the vast majority of South Africans have seen very little improvement in their daily reality. The youth have become increasingly despondent and hopeless about their future and this will inevitably lead to ever-increasing socio-political instability.

Factionalism and tribalism within the ANC also threatens to rip not only the party, but also the country apart. This is of course a major threat to our economy and prospects for future growth, as this level of civic instability and chaos will only serve to spook investors and hasten our descent toward junk status. South Africa benefitted handsomely from the positive sentiment engendered by Nelson Mandela, but that positivity has long since been eroded and investors now take a far more pragmatic view when evaluating prospects for favourable returns from our neck of the woods.

Need to demonstrate a disciplined society

Civil unrest is not new to South Africa; it was once synonymous with the struggle against apartheid and has effectively become our primary strategy for voicing our discontent with a particular situation. The greatest concern however is that the current occurrences of violent civil unrest are because of internal power struggles rather than ideological protest.

The ability to operate and conduct business safely is paramount. The loss of life, as tragically seen in Tshwane and other communities recently, is completely unacceptable. We should remain permanently cognisant of the need to demonstrate a cohesive and disciplined society if we hope to build a sound economic future. Investors, both foreign and domestic, remain justifiably concerned about investing in South Africa when it cannot be guaranteed that their assets and infrastructure will be spared the destruction resulting from civil unrest. It is ultimately impossible to conduct any form of meaningful business in an environment where the rule of law has collapsed.

There are countless external factors inhibiting our economic growth and diminishing prospects for future generations, recently demonstrated in no uncertain terms by Brexit. There is not much that we can do to mitigate the effects and frequency of these external economic shocks, but we can become serious about that which is under our control. We need to find our way as a nation again and recommit ourselves to embracing diversity and tolerance not only in terms of race but also with respect to ideology.

ABOUT RYAN RAVENS

Ryan Ravens has extensive experience in leadership positions in the public and private sectors having joined Accelerate Cape Town from his role as CEO of consulting company, TetraFlex. Prior to that he was the group executive: strategic partnerships at Blue IQ Investment Holdings. He was also the lead project manager for FIFA for the 2010 World Cup.

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