## F you were to advise president zuma on 3 strategic areas of focus for south afric...

**Business** 



If you were to advise President Zuma on 3 strategic areas of focus for South Africa, what would they be and why? I have been asked to advise President Zuma on three strategic areas of focus and the reasoning behind my choices.

There are many areas that need attention in our country, however, I believe that addressing unemployment, encouraging foreign investment into South Africa and improving the extensive problems that we have with our government's service delivery should be addressed as priorities. I believe that the most critical area of focus is for the government to address the unemployment crisis. South Africa's unemployment rate was measured at 24. 9% for the second quarter of 2012\*, with approximately 42 per cent of young people under the age of 30 unemployed. With such a large proportion of young people without jobs, there is a real possibility of a Tunisian or Egyptian style uprising where the youths revolted against their governments demanding jobs. There are many people in this country that are living in abject poverty, and policy change regarding employment is imperative in addressing this problem.

There is too much focus on employed people and the rigorous labour laws and minimum wages are a disincentive for employers to hire. The government needs to provide incentives for job creation, and to loosen labour laws instead of tightening them. The price of labour needs to be determined by market factors, as many workers' have been priced out of a job. Brazil was in a similar position with regard to unemployment and the Brazilian government used the stimulation of small businesses to create jobs. We need to follow suit and offer incentives and less barriers of restriction for

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the small business owner, as equipping South African's with the ability to create their own sustainable business will go a long way towards reaching a solution. The next area of focus is for President Zuma to encourage and stimulate foreign investment into South Africa.

This will result in growth of the economy and a reduction in poverty. Foreign investment will have a positive influence on our labour force, by creating new jobs, improving skills and wages and transferring technology, management skills and entrepreneurship. Foreign investment will also bring in an increase in tax revenue which allows for an increase in government spending. Our government needs to make South Africa an attractive destination to foreign investors and the current legislation makes it very tricky to invest in South Africa from overseas. The reams of red tape that restrict investment needs to be reviewed and reduced. The talk of nationalisation by government is another aspect that frightens foreign investors and the government need to stand firm on policies against this route.

Countries with good infrastructure are more likely to attract foreign investment and there needs to be a focus on the development and improvement of the country's physical (transport, communications) and financial (financial markets, insurance, accounting and legal skills) infrastructure. The third area of focus that President Zuma must focus on, is improving the service delivery by the government. Over the past few weeks South Africa has experienced waves of protest action across many municipalities regarding service delivery problems. We have seen explosive

situations such as the Marikana mines protests that resulted in the death of at least 36 mine workers. While this particular protest was around wages, some say that the dissatisfaction stems from the non-delivery of basic municipal services, such as running water, electricity and toilets in the town of Marikana. There is a profound level of dissatisfaction that is brewing around the country and a Marikana scale eruption could happen again soon unless the government starts addressing these problems.

The service delivery problems are also prevalent in education, where the non-delivery of text books in the Limpopo region has highlighted this. The World Economic Forum recently ranked the quality of South Africa's education system as 133rd in the world, out of 142 countries surveyed, which is a poor result considering the education budget of R143 billion, one of the highest per capita spends on education of the African countries. There are various areas that are causing these problems; poor internal controls, corruption, mismanagement of funds and poor leadership. The government and municipalities need to prioritise the concerns of the community and at the same time must create functional communication channels. President Zuma needs to review the maladministration of these various municipal departments, appoint the right people into the right jobs and rule with an uncompromising hand. All three of these areas of focus are interlinked and focussing on these areas will have a positive effect on poverty and crime, which are great concerns for our country.

Focussing on service delivery will improve education, health and satisfaction of the average South African. Improved service delivery will result in an

upskilled and healthier labour force, which will encourage foreign investment into the country. Foreign investment into the country will assist in addressing some of our unemployment concerns. More jobs means less poverty, which in turn also means less crime. \*Statistics South Africa (Stats SA) Quarterly Labour Force Survey, Quarter 2, 2012