

# Why not adopt 'why can't we' attitude?

South Africans tend to have a negative "why we can't" attitude rather than a "why can't we" approach.

Our view of the future is sometimes tainted by what is happening right now amid all the bad news; this generates fatalism and is bound to bring failure. We should remind ourselves that the SA economy is still the 29th largest of 228 economies globally. Despite hiccups now and then, our financial infrastructure remains world-class and widely respected.

The economy is diversified and the SA Reserve Bank has done all the right things in the last few years, and is also well respected. There is also a demographic dividend available to the country to exploit.

This, according to Prof André Roux, head of the Futures Studies programmes at the University of Stellenbosch Business School (USB), who spoke at the 2018 Institute for Futures Research conference recently held in Cape Town.

"Most of all, South Africans are a resilient people," he said.

There are nevertheless seven major tipping points which can be decisive for South Africa's future: **SA's global competitiveness is being eroded**

The country has dropped 20 positions in the global competitiveness rankings in the last two years. In Africa Mauritius is now the most competitive, followed by SA, Morocco, Botswana and Namibia.

**Democracy without economic emancipation?**

It seems that the pace of democracy in SA is outpacing economic development. This is not producing what most people were hoping for.

**Social capital depreciation**

This reflects networks in society together with shared norms, values and understandings that facilitate



Prof André Roux

cooperation among groups. **Growing skills training and education problem**

The education system of the country is not in sync with the changing structure of the economy, which is moving away from the primary sector to the tertiary sector.

**Not enough savings**

In all walks of life South Africa is living beyond its means. For a higher growth rate, the investment rate needs to be 30% of GDP. Currently it is about 20%. For the investment to be 30%, the savings rate needs to be 30%.

**Democratic institutions being eroded**

It is said that if you want to look at the future prosperity of a country, look at its institutions. Currently, they seem to have the skills, competency, even integrity.

**Can we exploit SA demographic dividend?**

A "dividend" via accelerated economic growth presents itself when the proportion of a country's population that is of working age (16 to 64 years) is larger than the proportion of its population that doesn't work. A crucial requirement for this dividend is that those of working age can actually find work.

"When analysing these tipping points, generating sufficient appropriate skills and restoring and maintaining the autonomy of democratic institutions should be seen as the most important task for South Africa currently," Roux said.