

EDITORIAL

Moody's gives us breathing space

SOUTH Africa is starved of good news, so when something positive happens it calls for celebration. This joy was delivered by ratings agency Moody's yesterday when, against expectations, it again skipped issuing a much-awaited assessment of the country's sovereign credit rating.

That means that our credit rating remains unchanged at Baac3, with a stable outlook – the last rung of an investment grade.

South Africa has been teetering on the edge of junk status rating for a while. Moody's is the only one of the big three international rating agencies not to have downgraded our sovereign credit rating to sub-investment – or junk – status. Fitch Ratings and S&P Global, lowered our credit rating to junk in April 2017.

We can breathe easy – at least until the next Moody's credit announcement on November 1.

The gods have smiled on us. If Moody's had declared our rating junk, the country would have been thrown out of the Citigroup's World Government Bond Index, which contains only bonds that are investment grade, forcing asset managers to dump billions of rands' worth of South African bonds.

This would have spelled bad news for President Cyril Ramaphosa's ambitions to raise \$100 billion in new investment and jumpstart the sluggish economic growth rate.

Massive outflows of money from the country would have been dreadful news for the economy and a junk rating would have made it difficult for the government to borrow money on international markets to keep the country afloat. It would have had to pay billions more in interest, at the cost of investments in projects such as schools, hospitals, and other services.

Imports such as oil, machinery and electronics would become more expensive. Inflation, comfortably within the target range of 4%-6%, would have flown out the window. The credit ratings of Standard Bank, Absa, Nedbank and FirstRand, which are all tied up to the country's sovereign rating, could have also been imperilled. They would have to offer higher interest rates when they borrow money, and passing this on to their clients.

South Africa has been given breathing space. Now is the time to take hard decisions about structural changes needed to create an environment of economic growth, starting with entities such as Eskom.

November 1 is just around the corner.

As a nation, we have been transfixed by the revelations emanating from the commission into state capture

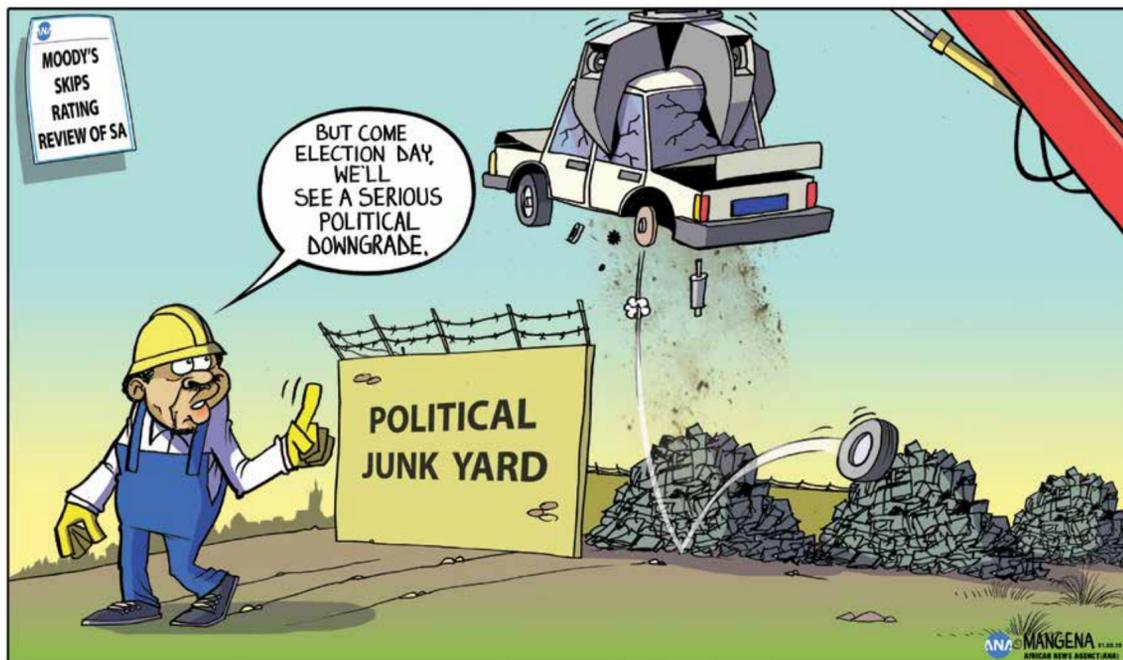
IVOR ICHIKOWITZ
Industrialist and philanthropist



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TAKE TITO MBOWENI SERIOUSLY ON E-TOLLS ISSUE

Finance Minister Tito Mboweni's tough talk on e-tolls this week is a timely reminder of the commitment South Africa has to bond markets and the global community to "render to Caesar what belongs to Caesar" and generally handle our finances properly. | IOL



Importance of inclusivity

For SA to move forward, no one must be marginalised nor excluded because of class, race, creed, age, sex

THIS WEEK saw the release of a seminal report on the deliberations by a cross-section of South African leaders in the Drakensberg last June. Youth Day weekend was an auspicious moment in our country, ahead of the start of Deputy Chief Justice Raymond Zondo's eponymous commission.

As a nation, we have been transfixed by the revelations emanating from the commission into state capture sitting in Parktown, Johannesburg, as the true story of our lost decade has begun to emerge in its granular details.

The conversations at the inaugural Kgalema Motlanthe Drakensberg Inclusive Growth Forum (IGF) were eerily prescient. As the report cautions us, state capture "has left in its wake shattered institutions, a broken economy and the people of South Africa disillusioned and hopeless".

The forum was not a time to despair, even though the presentations on the state of our nation were as bleak as they were honest. Instead, as President Cyril Ramaphosa exhorted during his keynote address, this was a time to move on, to have the courage to dream, "to imagine a new country, one that is free, equal, prosperous and joyful, if we are to liberate ourselves from the shackles of the past and the troubles of the present".

The delegates did just that, concentrating on three key issues besetting our nation: poverty, unemployment and the equitable distribution of wealth; land reform, restitutions and

security of tenure; and, social cohesion and national building. As the speakers reminded us, these are not uniquely South African problems, but part and parcel of global phenomena that have directly contributed to the worrying upsurge in nationalism and populism.

Professor Ivor Chipkin noted, "indigenisation has been used to extend and consolidate abusive patronage networks and undermine constitutionally provided checks and balances". Former statistician-general Pali Lehohla provided a devastating statistical synopsis of our country and of the true evidentiary challenges facing South Africa. Ramaphosa, said Bonang Mohale, inherited a system that was worse than the legacy bequeathed to Nelson Mandela in 1994 at the dawn of our democracy 25 years ago.

Drawing some of the best minds in the country together for a three-day retreat to focus, reflect and commit, the forum emerged with a vision of what had to be done and a road map of how to get there. Chief among these is the need for inclusivity; not just ethnically, but generationally and in terms of gender.



IVOR ICHIKOWITZ

The road ahead will not be easy; we will have to face up to some harsh truths; like putting an end to using the public service as an employment agency for party cadres, and instead refocusing it as a meritocracy, where our public servants are properly trained and see themselves facilitating community engagement with government rather than behaving like overlords. Government must be rationalised, the number of ministries cut and made responsive and accountable.

When it comes to education and the vaunted Fourth Industrial Revolution, we need to understand as University of Johannesburg vice-chairperson Tshilidzi Marwala pointed out, our participation will not be optional. Stakes are high: technology will exacerbate or alleviate inequality and exclusion.

The World Economic Forum predicts the three most important skills for an employee by 2020 will be complex problem-solving, critical thinking and creativity. Without adequate training, potentially only a diminished minority of South Africans will possess these skills, while others will see their value diminished by automation.

But without sufficient investment in our skills and physical infrastructure, advanced robotics also has the capacity to disadvantage many for the advantage of a few. If South Africa is to collectively benefit, we must not let unequal access to today's technologies limit our future potential.

We need to be brutal about our edu-

cational system, recognising that the ever-changing nature of our syllabus has been an abuse of our children. We need to rethink what is being taught, creating fit-for purpose programmes so that our youth find jobs. We need to stop just focusing on the matric rate and those who don't make it and look instead to how we can stimulate pre-schoolers and ensure they go to bed on a full stomach – and have enough to eat during the day.

We need to find ways of re-industrialising South Africa, creating jobs in the process, perhaps even through a public-private jobs fund. We have to plan for the economy that we want through constructive interventions. We need to overhaul our state-owned enterprises, and look to Telkom as best practice when it comes to getting in private investment.

We need to create wealth, land restitution is a fantastic mechanism to do this, with title deeds as collateral to access funds, but we have to protect new homeowners from unscrupulous predators, we need to look at land in its urban and its rural contexts – and not mix up the two. We need to free up idle land, we can start with Transnet and Eskom, we need to develop our rural economies. We can do all of this through the Constitution as it is, without tampering with it.

These are just some of the thoughts that emerged from those three days.

Underpinning all of this is the belief that whatever we do must be

done together; we dare not exclude on race or class or creed. The youth must be incorporated, placing them front and centre of whatever policies are drafted; be it educational or economic. They have to be given charge of their own destiny, not talked down and further marginalised. Likewise, women.

We have to restore South Africa to the country we dreamed it would be. Last year's forum was the first of what I hope will be an annual event, sparking further conversations, drafting plans to flesh out the framework of what has been created.

The miracle of 1994 wasn't plucked from thin air, it was founded on South Africans coming together to speak, to listen and to act. Dialogue has always been at the heart of African culture and society, and the Kgalema Motlanthe Foundation has harnessed this tradition. The onus now is on us to create our own destinies using our own hands – and make sure that we can never ever again have our birthright endangered by state capture.

The Inclusive Growth Initiative is a call to action. A call to each one of us to help build a continent where we are encouraged to dream big, to challenge the inconceivable and achieve the impossible.

Ichikowitz is an industrialist and philanthropist. His Ichikowitz Family Foundation is one of the partners of Kgalema Motlanthe's inaugural Drakensberg Inclusive Growth Forum.

YOUR VIEWS

Email letters@iol.co.za (no attachments please). All letters must contain the writer's full name, physical address and telephone number. No pen names please.

Leadership silent on energy mix debate

IS SOUTH Africa the only country where fossil-fuelled electricity is more intermittent and unreliable than renewables?

In the wake of Cyclone Idai, I also have to ask: why are we only concerning ourselves about losing a gigawatt or so from our electricity grid? Climate science predicts more intense storms as the planetary climate warms.

Add these two issues together and you have to ask: why are none of the major political parties emphasising climate change and renewable energy? Much of this is about the short-term thinking that coal equals jobs. This is wrong on many levels. Coal jobs will not stop instantly but with growing pressure for reduced greenhouse gas emissions around the world, coal is a sunset fuel source and we should be making other plans – particularly as our newest coal plants are unreliable and would cost a fortune to get into reasonable

shape. While solar cannot provide power 24/7, this solution will reduce the need to fall back on expensive peaking power plants that are meant to run only a few hours a day. Yet I see nothing like this from the major parties. Where is the leadership?

PHILIP MACHANICK | Eastern Cape

Voters beware, vote with great care

DESPITE the euphoria of the "New Dawn" which followed Cyril Ramaphosa's election as the president of South Africa, his dream of being president of our country after the May 2019 election may just be a pipe dream.

Those voters who are contemplating voting for the ANC to bolster Ramaphosa are likely to be shocked when someone else, more attuned to the Zuma style, is elected as our new president after May 8.

Therefore, voters beware – vote with care!

VICTOR PENNING | Joburg

Social media must be used responsibly

RECENTLY I attended a presentation on social media; the legal, disciplinary, and reputational risks of social media.

The presentation by Emma Sadleir, a renowned social media law expert and co-author of *Don't Film Yourself Having Sex*, covered aspects such as defamation, misinformation, privacy, hate speech and other legal advice.

Sadleir raised some thought-provoking and hair-raising issues surrounding social media. Between other important points Sadleir spoke about the rise of cyberbullying, selfies, sexting, nude photos, revenge pornography, sextortion, blackmail, digital shadow and other illegal crazes that could affect both adults and children online.

Her famous statement "digital content is dangerous content" is apt in this world of fake and instant news. The internet, digital media and social media has become

one of the main mechanisms of communication and it can be said that we are addicted to social media.

Social networks are now so rooted into our lives that it feels ridiculous to think of them as some alien device or to separate ourselves from it. Social media, if used correctly, can be an amazing tool for all.

Hence, it is important to teach and to talk to students and children about how to be savvy.

Instead of worrying about the harmful influence of family, friends and neighbours, we need to empower children with information about productive online practice as they navigate the digital landscape.

MOHAMED SAEED | KwaZulu-Natal

Europeans fostered indigenous languages

IT IS election time, so it is not surprising to hear our leaders drumming up support from their gullible constituencies, by using every dubious means possible.

Thus, Julius Malema can command a crowd of thousands to hear him utter nonsense such as Indians must provide a pension fund for their domestic workers.

I wonder if he has done so himself. I listened to an excerpt from President Cyril Ramaphosa's speech in Sharpeville.

He was speaking on the theme of our indigenous languages being marginalised by the apartheid regime (which is true), but then segued into attacking the early colonialists for their many sins against the African languages. Many black scholars who champion indigenous languages are prone to referencing Ngugi wa Thiong'o, conveniently ignoring that Ngugi sits in the ivory towers of academia in California, US.

It might be of interest to your readers that Daniel Jones, collaborated with Sol Plaatje to write *A Sechuana Reader*, published in 1916. That alone is a measure of the contribution of European scholars to the indigenous languages of South Africa.

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