

Thought-leaders optimistic about SA's future

Although strike action is disruptive and a sign of declining relations, it is also part of normality. Wage negotiations take place every few years and are part of collective bargaining.



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This is according to Jayendra Naidoo, executive chairman and co-founder of the J&J Group. Naidoo was part of a discussion panel at the Glacier by Sanlam and TIME thought-leadership forum, [THE INSIDERS], which was recently held at the Hilton Hotel in Durban.

Naidoo said the peace in management-worker relations during the period 1994 to 2004 is something not seen since 1922. We're now experiencing something similar to the unrest of the 1980s.

Commenting on the effect on the markets, Sasfin director and deputy chairman, David Shapiro, said that investors today can invest anywhere in the world, and they have to decide on the best region to place their investments. There are some troubling factors on the JSE and we are also seeing a weakening of the mining and manufacturing sectors. More and more companies on the JSE are seeking growth outside of South Africa - Invicta and Woolworths being just two examples.

Labour laws

The panel was in agreement that our country needs more flexibility in its labour laws and an increase in productivity. Naidoo stated that we haven't seen much change in the labour laws over the last 20 years.

Inflation is not demand-driven and can't be contained. Shapiro stated that growth will be more difficult if we see a rise in interest rates. Globally, rates will remain low for longer. "It's tough for fixed interest investors, but those in the markets will still make money," he said.

Income inequality and unemployment are global themes and by no means unique to South Africa. But, we need to create 11 million jobs by 2030 to sustain a growing emerging middle class. "We're not giving people hope," said Alec Hogg,

founder and publisher of BizNews.com. "Previously, young employees would get an apprenticeship and learn a trade. But now, we're not letting people into the market. A large part of the problem is that entrepreneurs are too scared to employ people," he said.

According to Hogg, something we can be proud of is that we have gone through the process of change. "Most countries and people don't know how to change," he said.

Investors lost confidence

Shapiro agreed, but said that unfortunately we have lost a lot of investment ground and many investors have lost confidence in South Africa. "Political stability, anti-corruption laws, and a stable labour force - these are the issues that investors look at. We are the best in terms of global corporate governance, but we have got work to do in other areas."

Although our social issues cannot be avoided, Naidoo stated that South Africa has good businesses and long-term possibilities, but we need to manage risk well. "South Africa is for the daring and the brave," he said.

Hogg was also optimistic about the country's future, stating that we will be surprised at the success of entrepreneurs in the future. South Africa will rise on the international wave."

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