

SA Inc. Turning off the wait-and-see mentality

By [Shabbir Norath](#)

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The exodus of foreign capital started as a trickle in 2016 and has become an unequivocal deluge. When it comes to the reasons why foreign capital inflows into SA have all but dried up in recent years, everyone has a theory.



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Most, of course, centre on the numerous social, political and economic challenges that the country has faced over the past decade or more, not least of which are a severe state capture hangover, stagnant national growth, an unsure political situation, ongoing heated debate about key policy direction, the global credit rating of the country being the subject of constant scrutiny and speculation and, of course, the well documented historical financial mismanagement of a number of state-owned enterprises, most significantly our national electricity provider.

There can be no denying that these, and many other less than optimal factors, have been very instrumental in leading SA down the path to what some may convincingly argue is an accelerating state of global economic investment isolation. And, of course, it's very easy to point fingers at the stakeholders we believe are responsible for the position in which our country currently finds itself. However, if South Africans truly want to see the country rising from the proverbial ashes, expending all our energy on pointing fingers and allocating blame is not the way to achieve that desired outcome.

Steadying influence

At an economic level, I think we can all agree that the journey to sustainable growth for the country will begin with its ability to overcome pervasive negative sentiment and the understandable lack of confidence in SA by both global and local investment and business sectors. Irrespective of who we, as citizens, businesses, industries, and shareholders collectively believe is responsible for this difficult situation, the responsibility for fixing it, restoring investor confidence and attracting international investment quite simply cannot rest on the shoulders of government alone. It falls to all businesses and individuals that operate in SA.

Yes, the country desperately needs the steadying influence of clear and unambiguous sector and industry policies. Yes, government needs to demonstrate that it really is determined to weed out corruption and create a political environment in which businesses are afforded fair opportunities to succeed, prosper and deliver real social upliftment.

The good news is that the newly elected national government, under the leadership of President Cyril Ramaphosa, is moving steadily in this direction. That doesn't mean that the country's private sector can afford to just sit back and wait. As equal stakeholders in SA Inc, the private sector, in particular, has a role to play in helping to create an economic environment that inspires confidence and attracts investment.

Collective mindset changes

Granted, this is no small ask. It's also not impossible. It starts with a shared commitment by organisations and their stakeholders to shake off any survivalist or “wait-and-see” mentalities that may have snuck in and hamstrung their business strategies of late. That means all stakeholders, from boards and executives to managers, employees and even customers, have to be willing to make the collective mindset changes, and maybe even the sacrifices, required to catalyse the turnaround SA needs.

Of course, this responsibility also extends to shareholders who can, and must, be willing to set aside short-term performance expectations in favour of long-term resilience-building through the responsible re-investment of capital towards growth - even if, under different circumstances, the easy route for shareholders would be dividend declaration and, in some cases, investment of capital outside of SA.

Private sector needs to do its part

Ultimately, while we all have the right to expect government to do what is required to create a facilitative policy environment, the private sector needs to be doing their part as well. As is the case in all aspects of life, when it comes to business, industry and investment, confidence begets confidence. We certainly cannot expect the rest of the world to have the confidence needed in the future of SA to invest here, if we are not demonstrating that confidence ourselves.

Simply put, when a car full of people stalls at some point on its journey, the best way to get it moving again so that everyone can reach their destination, is for everyone to get out and push. The same is true of getting SA back on the road to healthy foreign inflows and economic growth. There is no longer any place for passengers in this stalled vehicle. It's time for us all to start pushing.

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