

Violence deals another blow to staggering economy

The violence and looting under the guise of protests against former president Jacob Zuma's incarceration pose a risk to the present economic recovery, undermine the vaccination programme, destroy infrastructure and engender job losses, President Cyril Ramaphosa said in his address to the nation last night.



Professor Raymond Parsons, NWU Business School economist

Even as the president spoke economic damage and destruction has continued to be widespread in several areas and many businesses have already been irretrievably destroyed by wanton criminality, says North West University Business School Economist, Professor Raymond Parsons.

"The crucial test now will be to ensure that the prevailing lawlessness, looting and other forms of public violence is seen to be effectively reduced as soon as possible in order to restore business and investor confidence. How large the eventual overall impact of these events will be on SA's economic performance will now crucially depend on whether enough will be rapidly done by security forces and others to contain and reverse the situation to bring peace and calm back to the country.

"The longer it takes to restore calm, the more the economic and human costs of the present instability in SA will inevitably rise. The economy is already grappling with a Level 4 lockdown. The latest cycle of violence must be contained sooner rather than later to avoid further economic jeopardy. It is therefore imperative that all key stakeholders pledge their cooperation and demonstrate the necessary leadership, together with strengthened security forces, to help recreate the necessary stability that the economy and society now urgently need," Parsons says.

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