



**MINISTRY OF FINANCE
REPUBLIC OF SOUTH AFRICA**

Southern Africa-Towards Inclusive Economic Development Phase 2 Launch

Speaking Notes for Minister Enoch Godongwana

**VENUE: Sheraton
DATE: 5 May 2022**

Good morning High Commissioner Anthony, ladies and gentlemen.

Introduction

Today we launch the second phase of SA-TIED. This follows a successful first phase of the programme, that was rolled out between 2017 and March 2022.

The SA-TIED programme seeks to **improve the interface between research and policy**, by fostering partnerships between experienced academics and government policy specialists, to respond to key policy gaps.

Too often, research on the South African economy has focused on diagnosing the problems, but stops short of giving policymakers practical suggestions. It is this, that SA-TIED is seized with.

In its first phase, the programme was able to respond to the sudden and critical challenges created by COVID-19, as well as inform thinking on long-standing issues of inequality, poverty, and stagnating growth.

With regard to COVID-19, research was rapidly produced to inform government interventions.

SA-TIED was also able to provide technical research support to Operation Vulindlela, a key policy initiative jointly implemented by the National Treasury and The Presidency.

Allow me to briefly contextualise the policy challenges faced by South Africa, which Phase 2 of the project will help us address.

The economic challenges that we face

South Africa's economic challenges are well documented.

While much progress has been made to improve the performance of the economy since 1994, unemployment and inequality remain stubbornly high, and poverty is still pervasive.

The economic stagnation of the past decade, coupled with the impact of the COVID-19, mean that much of the progress achieved in the earlier period of democracy could be derailed.

This is of great concern, as low economic growth entrenches poverty and inequality, while high income inequality aggravates social divisions and poses a risk to long-run economic growth.

In addition to the domestic issues, we are also faced with global challenges, such climate change.

As we navigate these internal and external uncertainties, which present both risks and opportunities, evidence-based decision making will be critical.

Thus, in considering the various options available to address these challenges, policymakers must at all times be informed by high quality research.

The role of SA-TIED in developing solutions

The best policy research requires a wide and diverse network of researchers.

This includes international scholars, and collaborations with public servants at the coalface of implementation.

This ensures that research can inform policy debates.

In addition, the programme focuses on including both young scholars and the co-authoring of papers by policymakers.

Novel data and analytical approaches will be further explored in phase 2.

The programme will build on the past success of innovative approaches, it will expand the infrastructure for administrative data and build research capabilities around the use of new data to explore new topics.

SA-TIED Phase 2 will continue to work alongside decision-makers to build the evidence base for improved policy-making.

The key areas of phase 2 will include:

- 1) Enterprise development for job creation and growth,
- (2) Public revenue mobilization for inclusive development,
- (3) Structural transformation, labour markets and inequality dynamics,
- (4) Macro-fiscal analysis and policy modelling,
- (5) Food, energy, and water in a context of climate change, and
- (6) Reform implementation.

These speak to some of the burning policy questions that keep me up at night.

I look forward to engaging with the research findings.

I challenge the researchers to continue to provide either more nuanced reflections of the problems or possible solutions.

Quality policy choices are informed by quality research.

Conclusion

In closing, we wish to thank our implementation partner, UNU-WIDER and the donors willing to support us on this journey.

UNU-WIDER will support the next phase of SA-TIED by providing a series of internationally benchmarked operating procedures and best practices, expose it to the relevant international academic fora, ensuring that the research produced is rigorous and of the highest academic quality.

We are appreciative of the collaboration with UNU-WIDER.

It has established a reputation as one of the world's leading development economics research institutes.

It has an extensive international network of world-leading development economics researchers, with experience operating in the context of developing countries and emerging economies.

