



Editor's note

This newsletter appears at the end of Stellenbosch University's centenary year, with the centenary of the Department of Economics also fast approaching. Perhaps it is an appropriate time to ask: Is there something that exemplifies Stellenbosch economists? My 37 years at Stellenbosch is too short to give a definite answer covering this whole period, but I nevertheless want to mention two attributes that seem to me to be shared by the generation of economists that went before as much as by those just starting out. The first is the understanding that Economics is imbedded in a social and political reality, and that it is therefore important to understand how that functions and relates to economic outcomes. The second is that Stellenbosch economists usually are pragmatists, with a strong focus on linking economic theory to socio-economic policy. The famous short story by the Argentine author Jorge Luis Borges, *On Exactitude in Science*, tells of an empire where such pragmatism did not rule:

...In that Empire, the Art of Cartography attained such Perfection that the map of a single Province occupied the entirety of a City, and the map of the Empire, the entirety of a Province. In time, those Unconscionable Maps no longer satisfied, and the Cartographers Guilds struck a Map of the Empire whose size was that of the Empire, and which coincided point for point with it. The following Generations, who were not so fond of the Study of Cartography as their Forebears had been, saw that that vast map was Useless, and not without some Pitilessness was it, that they delivered it up to the Inclemencies of Sun and Winters. In the Deserts of the West, still today, there are Tattered Ruins of that Map, inhabited by Animals and Beggars; in all the Land there is no other Relic of the Disciplines of Geography.

Stellenbosch's Department of Economics has always set out to train economists not only for the private sector, but also to support good public sector policy making. In research I have been conducting in neighbouring countries in the past few years it was a great pleasure to continually run into former students playing important roles in policy making, and with very fond memories of Stellenbosch: In Mozambique, Lesotho, Botswana, Zimbabwe, Namibia... and there are others too in Malawi, Rwanda, Ethiopia, Eritrea, etc. All students who leave Stellenbosch have a story to tell of the road they travelled to take up a vast variety of positions across the country, the continent and the world, across the private and public sector, in financial markets or in policy making. This current newsletter, edited by Olivia

Ezeobi, contains short interviews with Mike Nyawu and Bongiza Lekezwa, two fairly recent graduates who ended up working for the World Bank. It also gives an inkling of some other research done in the Department: On quality of service delivery in housing by Marisa von Fintel and Ronelle Burger, part of much broader work on quality of service delivery. And Rachel Jafta reminds us about the great fortune that lecturing staff enjoy in being able to do work spanning teaching, research, community engagement and the world of business, and indeed also of policy influence, as Nic Spaull's participation in a roundtable hosted by the President illustrates. We hope you enjoy the newsletter and that it invokes fond memories.

- Servaas van der Berg

Giving roots and wings to communities through quality subsidised housing



It is well established that safe and secure homes can significantly improve the quality of life for communities. This works through promoting dignity and quality of life, but also via economic channels that ensure that household members have a secure asset and thus a deeper and more long-term stake in the specific community.

While the government's subsidised housing ("RDP") initiative has envisioned this, such benefits have often not always materialised due to deficient beneficiary participation in the planning and construction process and poor and variable construction quality of houses.

In order to test the effectiveness of an intervention in improving the quality of government subsidised houses, Marisa von Fintel and Ronelle Burger from the Department of Economics have conducted a pilot study in the Roodakke community, just outside Grabouw. The quality intervention involved additional inspections and oversight by engineering students during construction of 60 randomly selected houses. The project has been a collaborative effort between the departments of Economics and Civil Engineering at Stellenbosch University, the Department of Economics at the University of Bath, as well as local and provincial government.

Preliminary results indicate that the pilot of the project has been successful, with higher levels of construction quality reported for the houses which formed part of the study compared to the control group of houses. In addition, preliminary results show higher levels of satisfaction reported by beneficiaries in houses where the intervention was implemented.

The project is ongoing, and the researchers will be hosting two workshops during 2019 in order to facilitate discussions between and provide feedback to construction firms, local and provincial government, as well as other researchers in the field. Plans are also on the table to scale up the project to a larger sample of building sites. The project will offer a blue print of

how better monitoring and accountability could improve the quality of these houses and therefore enhance social development and improve lives.

Written by Marisa von Fintel



For more information about the project, refer to the university's website:

<https://www.sun.ac.za/english/Lists/news/DispForm.aspx?ID=6025>

Alumna Spotlight – World Bank Social Protection Specialist Bongisa Lekezwa



Bongisa Lekezwa completed her Masters in Economics here at Stellenbosch University. We did an online interview with her about her studies and her job at the World Bank. (In this photo she is with World Bank President Dr Jim Y. Kim)

When did you start at World Bank?

I started at the Bank at the beginning of 2017.

What is your position there?

I am a social protection specialist- an economist who straddles both research and operations. I work mainly on social grants, social welfare and youth unemployment working mostly in southern Africa countries.

What was your Masters Dissertation title?

"The impact of social grants as anti-poverty policy instruments in South Africa: an analysis using household theory to determine intra-household allocation of unearned income." I used the material from this thesis a lot during my interview and subsequently on my work at the Bank-pertaining to SA.

When you were studying your Master's degree in Economics, did you aspire to work at the World Bank?

Yes I did! (I went through a rigorous interview process, three interviews and a written assignment later!)

It was always my dream as an economics student to work for the World Bank as the Bank does rigorous research and brings dynamic minds from all over the world to assist governments solve some of the pressing challenges. I wanted access to such a platform. Our voices and our knowledge as African economists matter a great deal- we bring contextual perspective to the table- think about it, we have been studying economics in SA and regional

context for all our university careers, it comes in real handy!

What made you apply to work at the World Bank?

I have always known that I want to be a public servant- work for government. I deliberately curated and navigated my career such that I would end up in public service because I believed that government needs skilled technocrats. As a result, upon leaving Stellenbosch, I worked at the Competition Commission of South Africa. That was my first job and it taught me a lot of values that have stood me in good stead in subsequent roles I have taken. I had an opportunity to study further, an MPA at Columbia University, but circumstances prevented me from pursuing this MPA. Instead, I went to work at the Gauteng Department of Economic Development (GDED) – this turned out to be the best move for my career. Working at the GDED was a sobering experience – being faced with the realities of South Africa's development challenges. I worked as a researcher for policy, strategy and operations. I also had good mentors at GDED, colleagues who invested their time to help me grow. In hindsight, this was great preparation for the World Bank job.

I soon realised the gaps I had in my knowledge as an economist and that, to do better as a public servant, I needed exposure to cutting-edge thinking, evidence-based project designs and research - the World Bank is like a candy-shop when it comes to this! I have enjoyed this aspect of it immensely. This was why I applied to work here.

Alumnus Spotlight: Mike Nyawo writes about The Power of Networking



I have come to the realization that it is possible in life to inspire others through the power of a story. Despite not having much by the way of my finances, my parents did their best to enable my education through to university level. Through all my experiences, attaining my first degree at the University of Zimbabwe, I never thought I would be part of a team that makes life changing policies to millions of people.

My life trajectory changed when I joined Stellenbosch University Department of Economics in 2015 as a Graduate Student. I was challenged and exposed to a new way of thinking, which I believe created a strong foundation to kick start my career. I was part of the Graduate PhD programme in the Economics and Management Sciences of Stellenbosch University, a fully-funded and selective PhD programme. It was through this programme that I learnt the art of networking. I quickly realized that destiny was in my hands and started to reach out and find mentors that could provide useful guidance and insight. Three years later, I joined the World Bank Group – initially as a PhD Intern and then later as a Consultant in the Macroeconomics, Trade and Investment Global Practice. Without doubt, I know there are a lot of young brilliant economists and future leaders with a similar background as mine.

It is possible to be part of the 'global' world. The world is becoming increasingly connected and effective networking plays a crucial role to the success of everyone. I hope my story inspires someone.

Mike Nyawo

Senior Researcher Nic Spauld presents to President Ramaphosa



On 22 November Nic Spauld, a senior researcher in the economics department, met with President Ramaphosa as part of a roundtable he convened on the topic: "Strategies for long term prosperity: What would it take to place South Africa on a higher-growth trajectory?" 18 economists from academia and industry were asked to give input on the topic. Nic presented on education and the importance of learner success in the foundation grades R to 3.

In his presentation he said "The first step towards fixing the education system is ruthless prioritization. South Africa does not have the financial resources, political capital or human expertise to solve many problems at the same time. Policy-makers and politicians needs to accept that underperformance in matric and high drop-out rates are rooted in weak foundations in primary school and specifically in Grades R-3. If 78% of Grade 4's cannot read for meaning in any language they are precluded from success at school...

We need a "Marshall Plan" for Reading and Numeracy and to drastically expand promising programs like the Early grade Reading Study (EGRS), which have been piloted, rigorously evaluated and shown to be successful in the North West and Mpumalanga. With a small army of reading coaches, resources, and lesson plans you could reach half of all primary schools within 8 years. It would cost R1,3billion per year."



You can read more about his presentation

at <https://nicspauld.com/2018/12/03/presenting-to-the-president/>

NRF research rating awarded to Marisa von Fintel



The Economics Department congratulates Marisa von Fintel for being awarded a National Research Foundation (NRF) Y-rating during the 2018 NRF round of ratings. Marisa's research considers the incidence of poverty and social mobility, as well as the evaluation of social policies aimed at alleviating poverty within South Africa.

The Y-rating is awarded to young researchers (40 years or younger), who have held the doctorate qualification for less than five years at the time of application, and who are recognised as having the potential to establish themselves as researchers within a five-year period after evaluation. This recognition is based on their performance and productivity of quality research outputs during their doctoral studies and/or early post-doctoral careers.

Other staff members who also hold a Y-rating from the NRF (awarded in earlier years) include Rulof Burger, Johan Fourie, Monique Reid and Dieter von Fintel. The following staff members in our department hold a C-rating – Wimpie Boshoff, Ronelle Burger, Stan du Plessis, Guangling Liu and Servaas van der Berg. They were awarded the C-rating for being recognised by their peers as established researchers with a sustained recent record of productivity in the field of economics. Johan Kirsten, who is based at the Bureau of Economic Research at Stellenbosch University, holds a B-rating. He was awarded this rating because of international recognition by his peers for the high quality and impact of his recent research outputs.

Prof Rachel Jafta presented with 25 years of service award.



During October this year, Prof Rachel Jafta was presented with a service award for 25 years at SU. We sat down for an interview with Rachel to talk about her time here in the economics department.

How many years were you course co-ordinator for first-year macroeconomics? Moreover, why are the first years so special to you?

I was Course-coordinator for first years for 12 years and am still the Internal Moderator for 144. The first year is our opportunity to lay a really good foundation and to inspire students to start engaging with the really important issues in Economics with a view to make a positive difference in society, each in their own way.

What did you teach in your first year here?

I taught first year Economics, at that time a year course that included Micro-and Macroeconomics. I also taught History of Economic thought, a course I enjoyed immensely because I find history and the context in which Economic theory emerges, fascinating.

When did you complete your PhD and who were your supervisors?

I graduated in 2003. Professor Franco Malerba, Luigi Bocconi University, Milan was my supervisor and Professor Servaas van der Berg my co-supervisor

What was the date of your inauguration as professor?

I was appointed full professor effective 1 January 2011 and delivered my Inaugural address on the 5th of February 2013 on the topic of Economics and Social Entrepreneurship

Why do you love working here and why you have stayed here so long?

For me there is an extraordinary joy in helping young people unlock their potential through education, which in my view is so much more than learning the subject matter in any particular field. I love that the department allows me the space to combine teaching, research, community engagement and the world of business*. This gives me insights from various perspectives, which helps to enrich the classroom experience for my students. When I came back from sabbatical in 2016, the first few minutes of my first lecture that semester, affirmed that education is such a fundamental part of me, and doing that here, at Stellenbosch, is still what I want to do.

*In addition to being a full-time professor, Rachel is the founder and chairperson of the Media24 Rachel's Angels Mentorship Programme and the Cape Town Carnival. She was appointed chair of the Media24 board in April 2014 and is a member of the Naspers social and ethics committee as well as the Naspers audit-and risk committees.



In the media

1) Prof Rachel Jafta appeared on a talk show where she spoke about qualifications and work experience.



Read More

2) Prof Ingrid Woolard was mentioned in the following articles:



Read the article (*Treasury has hard choices to make, says VAT panel chair*)

Read the article (*SA's VAT panel recommends these products should be zero rated...*)

Read the article (*Tot siens, 9-tot-5!*)

3) Below are links for articles written by Prof Johan Fourie



Read the article (*A radical solution to land ownership*)

Read the article (*How to incentivise creativity*)

Read the article (*The good, bad and ugly of state failure*)

Read the article (*Ramaphosa's number one challenge: getting rid of patronage politics*)

Read the article (*Be careful what you wish for*)

Read the article (*The importance of our teachers*)



Useful links

Bureau for Economic Research

Research on Socio-Economic Policy

Laboratory for the Economics of Africa's Past

Center for Competition Law and Economics

Working papers