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Nota di contenuto	1. Introduction -- Part I: Global real interest rates, economic and trade growth uncertainty shock effects on the South African economy -- 2. Is BRICS GDP growth a source of shocks or an amplifier of global growth responses? What are the policy implications for South Africa? -- 3. Global economic and policy uncertainty shock effects on the South African economy: Do these reinforce each other? -- 4. Heightened foreign policy uncertainty shocks effects: Transmission via capital flows, credit conditions and business confidence -- 5. In which direction is there a momentum effect in the changes in the spread

between the repo rate and federal funds rate? -- 6. How do global real policy rates impact the South African GDP growth and labor market conditions? -- Part II: The Taylor curve, external shocks, labour market conditions and inflation expectations -- 7. The output-gap, nominal wage and consumer price inflation volatility trade-off -- 8. Output and inflation volatility trade-off: Do external shocks and inflation expectations shift the Taylor curve -- 9. Do adverse global trade developments shocks impact the trade-off between the inflation and output volatilities -- 10. Does the labour market conditions shock impact the trade-off between the inflation and output volatilities? -- 11. Output-inflation trade off and the issue of policy ineffectiveness -- 12. Do inflation regimes affect the transmission of nominal demand shocks to the price level? -- 13. What is the nature of the output-employment-unemployment nexus in South Africa? Evidence from various approaches to Okun's Law -- 14. Does the consideration of nominal wage growth imply a high level of inflation inertia or persistence compared to consumer price inflation? -- 15. Wage and consumer price inflation during exchange rate appreciation and depreciation episodes -- 16. Is there a case for nominal GDP growth targeting in South Africa? -- Part III: Policy uncertainty, mining sector charter, exchange rate volatility, commodity price booms and busts, binding minimum wage increases and the mining sector -- 17. How has the intensity of the ability of commodity specific output growth to create jobs evolved? Implications for the mining sector as a "sunrise industry" -- 18. Is export-led growth a necessary but insufficient condition for job creation in the mining sector? Does this mean that there is a strong case for beneficiation? -- 19. The impact of mining commodity price booms and sharp exchange rate depreciation episodes on mining output and employment growth -- 20. The role of the exchange rate on investment growth in the mining sector: Evidence from the balance sheet hypothesis -- 21. The role of the exchange rate volatilities on the mining sector -- 22. The role of policy uncertainty low confidence and the mining charter in the transmission of positive shocks to commodity prices in the mining sector -- 23. What are the mechanisms and channels through which the mining sector adjusted to an increase in the binding minimum wage in 2014? -- Part IV: Accelerated land reform, the agricultural sector and implications for macro-economic policies -- 24. The impact of structural change on the South African economy: Evidence from the structural change indices and McMillan and Rodrick (2011) labour productivity decomposition approach -- 25. Land reform, redistribution and agricultural investment growth: What are the implications for the NDP output and employment targets? -- 26. What is the role of food commodity price booms and busts in the agricultural sector? Implications for monetary policy -- 27. What is the role of trade liberalisation and food commodity price booms in the agricultural sector? Implications for the export-led growth strategy -- 28. Is the agricultural sector sensitive to the exchange rate depreciation and volatility: Evidence from the balance sheet channel -- 29. How are the interest rates and credit supply shocks transmitted to the agricultural sector? -- 30. What is the impact of a binding minimum wage on the agricultural sector? -- 31. Can land reform help reduce poverty and inequality? -- Part V: The transmission of sovereign debt downgrades into the credit markets and the real economy -- 32. What role does business confidence play in transmitting sovereign credit ratings upgrade and downgrades shocks to the real economy? -- 33. Are sovereign credit ratings shock transmitted via economic growth to impact credit growth dynamics? -- 34. Does the cost of government borrowing transmit the sovereign

credit downgrade shocks to credit growth? -- Part VI: Capital flow surges, sudden stops and elevated portfolio volatility shocks: what is the nature of their interaction with GDP growth and credit and economic costs? -- 35. What are the economic costs of capital flow waves in South Africa? -- 36. Capital flow surges, sudden stops and elevated portfolio volatility shocks: What is the nature of their interaction with GDP growth and credit? -- 37. Do bank and non-bank capital flows induce sectorial reallocation of credit away from the household sector? -- 38. Do banking and non-banking capital flows induce sectorial reallocation of credit away from companies? -- 39. Do equity and debt inflows matter in the attainment of the price stability mandate? -- 40. Do local investors play a stabilizing role relative to foreign investors after economic shocks -- 41. Do investors' net purchases and capital retrenchment activities impact the monetary policy response to positive inflation shocks?.

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## Sommario/riassunto

The overarching goal of South Africa's National Development Plan (NDP) is to eliminate poverty, reduce inequality, lower unemployment and increase the labour participation. This book contributes to academic and policy efforts to achieve these NDP goals. We establish that the coal, metal ores and the platinum group commodity sectors will underpin the mining as a "sunrise" industry. The export-led growth strategy is necessary for intensive employment creation but must be complemented by other micro, macroeconomic and industrial policies. A strategy of minerals beneficiation is important for intensive employment creation. Accelerated land reform is a supply side or structural reform policy intervention tool aimed at increasing potential output, changing ownership patterns in the economy, increasing entrepreneurship, labour absorption, economic inclusion and lowering income inequality. Evidence shows that the balance sheet channel, commodity price booms and busts are intricately linked with the exchange rate dynamics, policy uncertainty, confidence and the effects of droughts (also symptoms of climate change). Productivity and investment growth shocks matter for output, employment and price stability. Evidence indicates that nominal GDP growth above 10 percent and keeping inflation within the target band leads to significant increase in employment and decline in unemployment, without inflationary pressures, especially when inflation is below 4.5 percent. To operationalise the NDP targets, align and co-ordinate policies, the South African Reserve Bank (SARB) mandate can be expanded to include maximum employment. This must be complemented by lowering the inflation target band, adjusting the financial regulatory, macro-prudential and monetary policy frameworks. This will enhance the conduct and credibility of monetary and financial stability policies to achieve the set objectives. These objectives make policy co-ordination pertinent and binding.

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