

# **CONCEPT NOTE**

## **PUBLIC SECTOR ECONOMIST FORUM**

**12<sup>TH</sup> ANNUAL CONFERENCE,  
2020**

***ADDRESSING KEY ECONOMIC  
CHALLENGES AMID AND POST  
COVID-19***

**24-26 November 2020**

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## 1. Introduction and Purpose

The Public Sector Economist Forum (PSEF) will be hosting its 12<sup>th</sup> Annual Conference from 24 - 26 November 2020. From its roots (2009), the PSEF's vision is to be a recognised platform through which public sector economists at subnational government can make sound inputs into economic policy in a coordinated and structured manner. This, it seeks to do by acting as a vehicle for the improvement of existing capabilities of subnational government public sector economists and creating avenues for sharing applied research practices, key economic intelligence, coordinating training and development, as well as forming partnerships and other support structures.

The PSEF's approach is underpinned by the National Development Plan and the Medium-Term Strategic Framework, which have been the major strategic guiding documents with specific policy areas to be addressed between 2014 and 2030. The NDP<sup>1</sup> highlights a capable state as an essential precondition for South Africa's development and warns that such a state *"does not materialize by decree"*, nor can it be legislated or created from conference resolutions – that it will have to be painstakingly *"built, brick by brick, institution by institution"*.

That said, the Annual Conference is a platform for members to share best practices on economic research methodologies and elevate research work. It further provides a networking opportunity for collaborative research and for members, particularly their constituent policymakers to benefit from economic research being undertaken in other provinces or municipalities on similar or pertinent issues that are of relevance to their departments and/or provinces or municipalities.

Given the current economic environment, the Conference will also explore ways in which government can partner with stakeholders to develop and implement economic recovery plans post-Covid-19, with considerable focus on infrastructure projects and expenditure as economic and job drivers. Potential opportunities for the "new" economy (post-Covid-19, 4IR, digital economy, e-commerce, Green economy) will be identified.

## 2. Problem Statement and Contextualisation

The South African (SA) economy has for some time been performing dismally, Since 2015, SA GDP growth had averaged 0.8%, mired by load shedding, SOE governance and financial issues, policy uncertainty, the slow pace of reform, low business and consumer confidence, corruption scandals further

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<sup>1</sup> National Planning Commission. 2012. National Development Plan. The Presidency: Pretoria

detering investment, and a plunge in the health of government finances. Prior to Covid-19, the SA economy was already in a technical recession – the national GDP contracted in Q3:2019 and Q4:2019 by -0.8% and -1.4%, respectively. The first quarter of 2020, with the SA economy contracting by -2.0%, saw South Africa enter a third straight quarter of economic decline. The adverse impact of the COVID-19 pandemic and ongoing ‘lockdown’ has made its presence felt in the national economy. The situation is expected to worsen further, with SARB expecting SA GDP to contract by a projected -36.2% in Q2:2020. The National Treasury forecasts that the SA economy will contract by 7.2% in 2020.

The current situation in the country as a result of COVID-19 is continuing to highlight the stark economic and social challenges associated with healthcare, social welfare, housing, as well as basic services. COVID-19 has driven a wider gap between the economically affluent and the poor. Furthermore, there is a myriad of other implications linked to lost productivity, increased production cost, scarcity problem, etc. The reality is that the pandemic has destabilised the economic engine. Among other things, the overall impact of the pandemic will include a steep reduction in consumer demand, following reduced disposable incomes linked to retrenchments; an increase in borrowing to pay for essential goods; reduced savings; supply-side constraints following business closures; and an overall shrinkage of the tax base.

The recent sovereign rating downgrades by S&P Global Ratings, Moody’s and Fitch agencies highlight the perils of inaction. Between March and April 2020, the rand depreciated more sharply than comparable developing-country currencies; however, rebounding somewhat, more recently. Long-term government yields are above end-2019 levels, which means that government borrowing costs are higher. This, coupled with an upwardly revised budget deficit of 15.8% and interest payments as a percentage of budget revenue rising to a high of 21% (pre-Covid-19:15%) is disconcerting. Moreover, the steepness of the yield curve indicates investor concerns about fiscal sustainability. If the debt level does not stabilise, government will be unable to borrow at affordable rates. This would in turn impede the ability of firms to invest and create jobs. It would also discourage households from making long term financial commitments. In this environment, government would not be able to raise sufficient tax revenues to sustain current spending levels and service its debt obligations.

Without swift, effective and decisive fiscal policy and monetary policy action as well as interventions by all spheres of government and the other economic agents, a recovery in economic growth once the pandemic has subsided, will be insufficient to stabilise debt. The efficacy and speed of the response are critical in reducing the negative economic and socio-economic outcomes and facilitating SA’s readiness

in turning the economy around. Within this context, the PSEF's Annual Conference is envisaged to add value and contribute to individual provinces' responses and interventions to the pandemic and beyond.

### 3. Conference Theme

It is against this backdrop that the PSEF will be hosting its 12<sup>th</sup> Annual Conference from 24 to 26 November 2020. Organised under the theme **“Addressing key economic challenges amid and post COVID -19”**, the PSEF will be issuing a call for papers from interested researchers to unpack this theme, focusing specifically on the sub-themes outlined in the section below.

### 4. Objectives of the Conference and Sub-themes

The 12<sup>th</sup> Conference of the PSEF will focus on topics related to the following areas in support of the main theme:

1. Economic and socio-economic impact of COVID-19;
2. What should SA's economic recovery look like?
3. Fiscal policy: fiscal consolidation, debt stabilization, funding avenues for strategic priorities such as key infrastructure projects;
4. The implementation and impact of reforms;
5. Industrial development;
6. Local economic development;
7. Accelerated, sustainable job creation;
8. Investment as a driver of jobs and growth;
9. Local Government (including issues of township economy, local economic development, local development financing, etc.); and
10. Economic Impact Assessment;
11. What will South Africa look like post-COVID?

Although the focus of the conference will be on sub-national issues, there will be scope to accommodate papers dealing with national issues. The objectives of the 12<sup>th</sup> Annual Conference of the PSEF are as follows:

- To unpack and address the triple challenge of unemployment, poverty, and inequality amidst the reforms and challenges posed by COVID 19;
- To assist SMME development and the informal sector during and after COVID;

- To explore ways to raise labour productivity generally and also looking at related factors such as COVID-19 induced health issues, working from home, etc.;
- To explore ways to improve the business and consumer confidence in South Africa;
- To look at ways to attract foreign direct investment to South Africa;
- To look at ways to diversify exports and the promotion of exports of benefited products from South Africa;
- To look at ways to reduce the cost and improve the ease of doing business (EoDB);
- To explore the potential of import replacement or import substitution;
- To explore the impact of global and domestic fiscal risks on subnational governments;
- To explore alternative policy measures to enable subnational governments to better respond to the identified fiscal risks;
- To explore ways to manage high-frequency data.

Consistent with its objectives, the Annual Conferences further serve as an avenue for wider dissemination of research findings by public sector economists on subnational government issues. It is also a platform to develop and harness the research and presentation skills of upcoming researchers in the public service in particular and the research community in general.

## 5. Key Organizational Aspects of the Annual Conference

### 5.1 Target audience

The envisaged target audience of the Conference is mainly economic research practitioners, economists - especially those at sub-national level, academics, private sector and post-graduate students.

### 5.2 Abstracts

The following shall apply for abstracts:

- Abstracts must be limited to 500 words;
- Roman 12 point font with 1.5 line spacing is recommended;
- The abstract title should be concise and clearly convey the subject of the abstract;
- Titles should be in all upper case letters and bolded, e.g. **RADICAL ECONOMIC TRANSFORMATION: AN IDEOLOGICAL DEBATE**
- Authors' names should appear immediately below the title and must be in bold;

- Abstracts should at least cover the following essentials:
  - Briefly and clearly describe the hypothesis of the study. Why was the study conducted?
  - Detail the experimental methods and processes employed in the study. What did you do?
  - Describe the precise findings of the study; promises of results “to be determined” are not acceptable. Describe what was found and include data.
  - Describe logically sound conclusions and reliable inferences drawn from the study results. Why are the study’s findings important?
  - Abstracts should highlight key policy implications and recommendations.
- An indication must be provided as to whether the paper has been presented elsewhere and/or if it has been submitted or published in a journal. Details of such should be provided.

### **5.3 Conference Papers**

All papers submitted must be informed by a clear methodological, empirical and sound theoretical framework. Authors should expose and outline the incremental contributions of their papers to distinguish them from work already done on the same topic. This calls for authors to clearly reference the views expressed by other authors or by studies published earlier. Put differently, all papers should adhere to the highest ethical standards of scientific research and should acknowledge and cite all content emphasis obtained from other sources.

The authors are required to inform the editorial committee about the status of their paper. Authors must clearly indicate “work in progress” or “final papers”. All research papers supervised must indicate the institution and the supervisor and whether it is published, still a working paper or still under review. The guidelines for the submission of final papers are as follows:

- Draft and final papers should not exceed 7 000 words (approximately 25 pages), including tables, figures and references;
- The Harvard referencing method is recommended;
- The cover page of the final paper must contain the paper title, the author’s name, the name and date of the Conference. The main text of the paper should start on the following page of the document;
- Acknowledgements should be written at the end of the paper under the heading acknowledgements;

- Tables and figures should be numbered chronologically and have a heading and source. Explanations must be in Times New Roman 10 point font. Explanatory notes should appear below the tables or figures and above the source;
- Equations should be numbered consecutively to the right of the equations; and
- The executive summary in the final report should include an introduction, background, research questions, methodology, research paradigm and a summary of key findings, recommendations and policy implications.

Given the primary objective of the Conference as a platform to inform, influence, enrich and enhance policy discussions and policy making at subnational government level, papers with clear policy implications and recommendations will receive priority.

#### **5.4 Editorial Committee**

An Editorial Committee has been established. Guided by the objectives of the Conference, the Committee shall:

- Select abstracts for presentation;
- Quality assure final papers submitted and make binding decisions as to whether the papers meet the criteria, standards and proper referencing and acknowledgements; and
- Be supported by scribes allocated to the different sessions.

#### **6. Format of the Conference**

The conference will be in a “virtual” plenary format. The following will be catered for:

- Key note addresses
- Presentations, questions and answers sessions
- Presentation of Research Papers
- A panel discussion

#### **7. Important Timelines**

- Call for Papers: to be issued by **31 July 2020**
- Due Date for Submission of Abstracts: **31 August 2020**
- Abstract selection and notifications: **15 October 2020**
- Conference Dates: **24-26 November 2020**

## 8. Guidelines for All Presenters

- 8.1 A **maximum of 20 minutes will be given** for all presentations;
- 8.2 PowerPoint slides will be required as visual aids;
- 8.3 PowerPoint presentations **should not exceed 20 slides**, excluding the slide bearing the title of the presentation. It is advisable to prepare back-up slides in the event additional information may be required during the open forum;
- 8.4 Presenters are advised to use appropriate font size;
- 8.5 The slide presentations should at least cover the following:
  - Research Objectives
  - Brief Background
  - Rationale
  - Conceptual/Theoretical Framework
  - Methods and Descriptive Statistics
  - Main Findings
  - Policy Implications and Recommendations

## 9. Evaluating the Success and/or Effectiveness of the Conference

- 9.1 Feedback on the success and/or effectiveness of the Conference will be gathered by means of a feedback form
- 9.2 The feedback form will focus on the following dimensions of the Conference:
  - Demographic characteristics of attendees and participants
  - Quality of research papers
  - Quality of presentations
  - Quality and suitability of venues and facilities
  - Quality of catering services provided
  - Moderators and facilitators
  - Discussants
  - Quality of discussions
  - Thematic areas covered
  - Gaps and areas of improvement