



IN 10 YEARS' TIME...

I see myself with a PhD in economics, using my knowledge of economics and other areas to improve the welfare and promote the flourishing of South African society.

Benjamin McGraw

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| HOMETOWN | Johannesburg, South Africa |
| UNIVERSITY | University of the Witwatersrand |
| FUNDING | BANKSETA Bursary |

More about Benjamin

Favourite subjects:

Institutional Economics, Game Theory and Macroeconomics.

Interests:

Football, classical and jazz piano, politics and philosophy.

Inspired by:

Noam Chomsky, Kendrick Duckworth and Richard Thaler

Main achievements:

- 2015 Nedbank and Old Mutual Budget Speech Competition semi-finalist.
- Genesis Analytics Prize: Top 5 student for Honours in Economics 2016.
- Getting this far in the competition for 2017

Community activity:

Member and manager of finances for The Chanceplant Initiative, a student initiative aimed at raising capital for a transplant unit, increasing education and enrolment for organ donation and creating discourse around awareness and ethics issues in organ donation.
<http://www.chanceplant.org.za>

Essay synopsis

Benjamin begins his essay by looking at monetary policies historically, noting that the power and independence with which central banks operate in the modern global economy comes with unprecedented responsibility.

He writes that the literature suggests mixed reviews for the overall effectiveness of quantitative easing (referring to any policy that unusually increases the size of the balance sheet of central banks) in the post-2008/09 global economy. He notes that the benefits of unconventional monetary policy are at best very limited, and points to significantly increased government debt in advanced countries, and increased volatility in key developing economies.

Benjamin names challenges such as providing the appropriate mixture of monetary easing with fiscal tightening so as to lower government debt levels without dampening demand, and renormalising monetary policy with due concern for tapering effects on capital flows in emerging economies.

“Challenges such as providing the appropriate mixture of monetary easing with fiscal tightening so as to lower government debt levels without dampening demand, and renormalising monetary policy with due concern for tapering effects on capital flows in emerging economies.”

He says that although unconventional measures were crucial in preventing the collapse of the financial system, there's little evidence to suggest that they have contributed in any significant way to restoring price stability. In order for central banks to ensure that the risks associated with unconventional measures do not turn into the next crisis, he concludes, structural reforms must take place and the mandate of monetary policy needs to be broadened so that it can ensure that its inflation targeting is achieved in a responsible and sustainable manner.