



IN 10 YEARS' TIME...

As a young aspiring entrepreneur I see myself running my own private company with a market capitalisation of R150 million, employing over 200 employees and exposure to multiple emerging economies. I'm interested in operating in the food, water or investment industries – as these are three sectors I am passionate about and believe have a bullish outlook over the long term (+20 years). I also passionately believe that these sectors will be placed under larger pressure to support the incremental demands of the globe's expanding population and therefore have the potential for innovation.

Jason Kelbrick

HOMETOWN	Johannesburg, South Africa
UNIVERSITY	Nelson Mandela University
FUNDING	Parents

More about Jason

Favourite subjects:

Economics of financial markets, Financial management and International Economics.

Interests:

Health and Fitness, Entrepreneurship (learning from my produce business: Wildside Organics Ltd), investment, travel and reading.

Inspired by:

Jack Ma, Dave Winstone, Warren Buffett, Simon Sinek and Elon Musk.

Main achievements:

- I played football at both Academy level and regional level.
- I tried out for professional football side "Palmerias" in Brazil.
- In 2012 I gained my football coaching certificate.

Community activity:

- Took part in Mandela Day activities in both 2016 and 2017.
- In 2016, I cleaned up Hobie beach (Port Elizabeth).
- In 2017 I donated clothing and books to young and enthusiastic learners.

Essay synopsis

Countries with higher levels of corruption experience significantly lower government expenditure on education and health, says Jason. This exposes the country to further negative effects in areas such as GDP growth and foreign direct investment, due mainly to stakeholders becoming concerned about the country's growth prospects and a reduction in confidence in the leadership. And while expenditure on education and health is subdued, military expenditures increase.

Another influence of corruption is increased inflation rates, tending to lead to further depreciation of a country's real exchange rate, which in turn harms net importers. And corruption leads to higher tax rates, Jason says.

These changes in inflation rates, tax rates and government expenditure may also have a positive effect, however, as an indication to international institutions and foreign investors about corruption in a country: high levels of corruption discourage investment but the negative effect diminishes with higher predictability, Jason notes.

Another possible concern is the development of a shadow economy: the extra costs of corruption may make entrepreneurs reluctant to start businesses in the official economy. Corruption tends to favour the stronger firms, however, so it may force weaker firms to become more efficient to compete.

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Other points Jason makes include: there's a relationship between corruption and income inequality; corruption affects the delivery of public services; countries with more corruption experience political instability; and corruption is even more detrimental to growth in environments of weak rule of law and low government effectiveness.