



IN 10 YEARS' TIME...

I see myself working in a research-based environment, particularly academia, where I will also be able to pass information to young minds. I also see myself working as a consultant to the government and the private sector, with a PhD in Economics.

I will be doing research for the benefit and advancement of society and South Africa, focusing on topical and pressing issues of the day in South Africa and the world economy in general.

Khayelihle Madlopha

HOMETOWN Kwa-Zulu Natal, South Africa

UNIVERSITY University of Zululand

FUNDING Merit Bursary

More about Khayelihle

Favourite subjects:

Economics, Banking/Finance, Econometrics, Mathematical Economics, Statistics and Mathematics

Interests:

Reading, research, music, local and global economics and comedy.

Inspired by:

Jesus Christ, people with passion for their fields, inventors, critical and creative thinkers, researchers, good teachers and top achievers.

Main achievements:

- Merit Bursary for first (2016) and second (2017) years of study.
- Top Achiever, Principles of Macroeconomics (2016) and Intermediate Microeconomics (2017).
- Academic awards: Grades 10-12.
- 2013 KwaZulu-Natal Grade 11 Financial Literacy Speech Competition finalist.

Community activity:

- Volunteer Tutor for Youthful and Useful, assisting Grade 10-12 pupils with their studies.
- Grade 12 Accounting and Economics volunteer tutor at JG Zuma High.

Essay synopsis

Developing countries generally experience high corruption, notes Khayelihle, which can take the form of political corruption (the focus of his essay), bureaucratic corruption, legislative corruption or private-sector corruption.

Corrupt countries experience significantly lower investment rates, says Khayelihle, because foreign investors become sceptical about investing in a country perceived as corrupt, and even local investors tend to hold back their big investment projects and operations.

Corruption fuels poor service delivery, such as when government provides sufficient money to a project, but then the people in power buy poor materials and keep the surplus money for themselves. The resultant poor-quality basic infrastructure hinders business growth.

Another form of corruption is cost inflation, says Khayelihle, which leads to leakages in public spending programmes, especially in military and big public investments, where procurement costs can be easily inflated.

Corruption leads to lower revenue collection by (among other things) injuring the culture of compliance, thereby increasing tax evasion, and demoralising entrepreneurs from establishing new businesses in the formal sector.

“A country with high corruption and public debt can find itself in a woeful circle of corruption and fiscal wastefulness, resulting in a debt crisis.”

The result of thriftless public expenditure and lower state revenue collection can be excessive fiscal deficits and considerable debt accumulation. A country with high corruption and public debt can find itself in a woeful circle of corruption and fiscal wastefulness, resulting in a debt crisis.

Finally, Khayelihle says, corruption distorts where government spends money: it reduces government spending on education, while corrupt governments tend to spend significantly more on the military.