LETTERS TO THE EDITOR

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Closure of schools should be the last resort

● As a former principal from Tongaat, KwaZulu-Natal, I am appalled to learn that 439 schools under the Eastern Cape department of education (DoE) have either closed or face imminent closure owing to "low learner numbers".

The abandonment of schools throughout the country affects every citizen who values, and/or makes use of, public education infrastructure. I have seen first hand, in Tongaat, what happens when a school (Belfrost Primary) is shut down owing to low learner enrolment: buildings are vandalised, become derelict, and communities lose a vital institutional anchor. With respect, the Eastern Cape DoE appears to be taking the line of least resistance.

Closure should be the last resort, not the first response. Before shutting schools, the department must implement support measures required by its constitutional duty to provide quality basic education. I respectfully submit five interventions that must precede any closure, and these must apply to other provincial education departments too:

● Enforce feeder-zone policies and motivate communities to ensure learners attend their nearest school;

● Provide training and mentorship for teachers and SGB members at existing schools so that capacity may be built;

● Consider transport costs. Busing long distances will cost far more than supporting endangered schools;

● Prevent overcrowding in "high-achiever" schools by retaining and nurturing the "low-enrolment" schools; and

● Protection of public assets: every effort must be made to ensure all public schools remain open at all costs. The unnecessary closure and abandonment of schools is a wastage of public resources and infrastructure investment.

I urge Eastern Cape education MEC Fundile Gade to suspend the closure process and implement a 24-month revitalisation plan, with proper public consultation as required by the South African Schools Act. This may also militate for changes in the Education Laws Amendment Act, and this is where the minister of basic education comes into the picture.

We cannot build a functional state by dismantling institutions that serve our most vulnerable children.

— Peru Naidu, Ballito

Minister of higher education Buti Manamela. Picture. Thapelo Morebudi

Thumbs up for Manamela's policy

● Your article "A skills revolution is coming" (August 9) refers. Kindly refer to Tutu Faleni's letter (July 5), where the writer gives an F to higher education minister Buti Manamela's skills-driven, revolutionary programmes aimed at bridging the gap between classroom training and practical competencies for the job market.

The clothing industry, as a result of March and March, has lost 12% in revenue after the departure of migrants from their employment.

This is probably not the only industrial revenue loss. Migrants, seeing better prospects in South Africa compared to the poverty in their countries, accept below the legal minimum wage set by the Labour Act. If our people had the requisite industrial skills, such losses would not have been experienced.

Manamela's adoption of the skills development policy must be given the thumbs up. If there is such absolute proven resonance between the minister and the learners, why should the director-general, Nkosinathi Sishi, not facilitate the process and cease to seem to oppose what we see as sound policy? It is shocking that there is a spat and misunderstanding between the minister and Sishi (Sunday Times, August 2).

I have googled the minister's Quality Council for Trades and Occupations programmes and found them responsive to labour market requirements as a means to address skills shortages.

To get more practical clarity, I visited our local Kwetlisong TVET college in Phuthaditjhaba and was informed the minister had visited it to promote his skills-driven training programmes. The staff at this institution are absolutely supportive of these programmes.

These programmes will make our youth self-sufficient, self-reliant and ready for absorption into our labour markets.

Let the minister iron out a way to facilitate his skills revolution. Once done, the National Skills Fund needs will follow, and it is only in this way that there can be a successful policy implementation.

Finally, the private sector should play a role, with established companies accredited through the Setas to provide learnerships for unemployed youths.

— Moikwatlhai Seitisho, Phuthaditjhaba

Straightforward solution for the PIC

● The public has become so accustomed to reports of misconduct at the Public Investment Corporation (PIC) that they scarcely make headlines anymore. This time, however, the situation is markedly different. Senior executives have been suspended, while the chair and six board members have resigned. The institution has effectively suffered a collapse in governance.

Many pensioners hoped this would finally result in their retirement savings being placed beyond political interference. They overlooked one reality: the ANC is unlikely to surrender control of an institution that manages more than R3-trillion in public assets.

The Mpati commission recommended six years ago that politics should be removed from the governance of the PIC. Yet that recommendation remains unimplemented. Instead, another political appointment was made when the law required a deputy minister to be appointed as chair.

The solution is straightforward. The PIC Act should be amended to require the appointment of an appropriately qualified, independent, non-political chair. There is no sound reason why the Government Employees Pension Fund should be treated differently from other pension funds. The assets belong to its members and pensioners, not to the state.

Only now, six years after describing the Mpati commission's 377 recommendations as urgent, has the president once again instructed they be implemented. Many pensioners will ask why it has taken so long.

— Adamus P Stemmet, Ridgeworth

Politicians to blame for gangsterism

● The brutal slaying of two anti-gang unit members and two women, allegedly by well-known gang member Reegan Collis, again demonstrates how misplaced our crime-fighting strategy and objectives are.

The fact that he is 23 and already labelled a well-known gangster reflects the failure of law enforcement agencies, the community that raised him, and politicians entrusted with presiding over our common resources.

A deeper analysis of his mind will reveal a troubled young man, possibly failed by his family, a dysfunctional school system and an impoverished community, which is the cause of extreme violence in our communities.

Obviously, if convicted of this heinous crime, he qualifies to receive the severest sentence available. But that won't solve the issue of crime in our communities.

The Madlanga commission has shown us that we have a police force that targets the poor while colluding with high-profile criminals and politicians.

Politicians, if truth be told, are responsible for the proliferation of gangsterism in our country.

The ANC today is facing similar challenges — although for different reasons — to those faced by the apartheid government in the 1980s: angry young people.

In Juklyn, Soshanguve, 90% of young people who wanted to be doctors, lawyers and accountants 10 years ago are on drugs. Some are so disillusioned by the system that, to quote Steve Biko, they have become spectators of a game in which they were supposed to be players.

They see the president stash R6m in a sofa, the deputy president and his family own a huge property portfolio, and his close associates running the lottery.

The powers that be should come to witness for themselves the pernicious conditions that have produced people who, like this accused, don't respect human life.

— Junior Polisario Nthane, Juklyn, Soshanguve

Eskom grid split raises questions on timing, risk

Lwazi Ntombela

On July 31, President Cyril Ramaphosa endorsed the phase 1 report of the Eskom restructuring task team, reaffirming that South Africa's new transmission system operator (TSO) must not merely operate the grid but own it outright. Eskom's response, through board chair Mteto Nyati, was telling: the board shared the president's vision but only "at the appropriate point in the future".

That phrase captures this article's argument. South Africa is racing towards a consequential restructuring of state infrastructure without answering the basic question of sequencing — not whether this should happen but whether Eskom can survive it happening now and in this manner.

As the South African Youth Council, we did not support splitting Eskom into separate entities for generation, transmission and distribution.

The historical record elsewhere is not reassuring. Nuclear engineer Hügo Kruger, presenting to parliament's energy portfolio committee last year, pointed to Zimbabwe, Lebanon and 1990s Russia, where unbundling had to be partially reversed after it degraded system performance.

Vertical integration let Eskom cross-subsidise across generation, transmission and distribution; plan network reinforcement and generation adequacy as one system; and manage inertia, frequency regulation and reserve margins under a single command, precisely the co-ordination that splitting ownership risks fragmenting.

That debate is nonetheless settled in law. The amended Electricity Regulation Act, in force since early 2025, sets a firm five-year window for an independent transmission and market operator and the wholesale electricity market. There is no realistic route to reversing operative legislation. The task now is ensuring implementation doesn't repeat the mistakes of utilities that unbundled recklessly and paid for it in blackouts and debt spirals.

Accepting the law does not mean accepting the pace some want. The act gives the government five years; it does not require compressing careful sequencing into a single pronouncement. Yet that has been the pattern. In December 2025, Eskom proposed retaining transmission assets inside the National Transmission Company South Africa while hiving off only market and system operator functions. Ramaphosa rejected that, insisting the new TSO must also own the physical network, a demand repeated on July 31 and framed as removing an "inherent conflict of interest".

Nyati's statement said what officials rarely say about their own shareholder: the board, not the Presidency, must drive the timing since it carries fiduciary responsibility for solvency.

He insisted phase 2 must safeguard "lender requirements, financing arrangements and contractual obligations" before any asset changes hands, warning the transfer is "a material event for Eskom's lenders" capable of triggering cross-default clauses on roughly R400bn-plus of debt if mishandled.

That is not resistance to reform but refusal to be pushed off a cliff for ideological tidiness.

This echoes a familiar fight. Then minister Gwede Mantashe resisted lifting the generation licensing threshold for private producers for years, relenting only after the president, in his own words, "twisted his arm". Mantashe has long argued Eskom must be "redirected and managed properly", not dismantled to satisfy investors who bore none of the sunk cost of the fleet.

The loudest voice for accelerated, full asset transfer has been Business Leadership South Africa, whose chief executive Busisiwe Mavuso welcomed Ramaphosa's endorsement. That interest is not disinterested. An asset-owning TSO, ring-fenced from Eskom's caution, accelerates a competitive market in which independent power producers (IPPs) can wheel power to corporate off-takers on equal footing with the fleet Eskom itself built and paid for.

This may suit large industrial users contracting directly with private generators. It is far less obviously good for households and small businesses on Eskom tariffs, who have already absorbed years of above-inflation increases.

None of this argues for standing still. The law has changed, and the clock is running.

Eskom's phase 1 task team has reportedly confirmed a state-owned TSO can be established without compromising financial sustainability, provided implementation follows the sequenced, stage-gated approach Nyati has outlined. South Africa's youth, who will inherit both debt and grid, have the greatest stake in getting the sequencing right. A default triggered by lenders partway through unbundling would damage jobs and competitiveness far more than a further period of careful, board-led implementation.

Eskom's grid is not the first strategic state asset put on the auction block.

The government has attempted to sell a 51% stake in SAA, partly privatised freight rail via Transnet corridor slots handed to private operators, and now risks the national grid passing out of state control.

Each time the justification is near identical: financial distress, the need for private capital, reform that cannot wait. Repeated across SAA, Transnet and Eskom, this looks less like crisis management and more like a habit of handing infrastructure to private balance sheets rather than fixing the institutions meant to run it. That is a trend South Africans, especially the young, should reject.

* Ntombela is vice-president of the South African Youth Economic Council

Leward Jeke

Africa's future is tied to stronger financial architecture

Has financial liberalisation delivered on its developmental promise in Africa, in particular to the Southern African Development Community (Sadc)? And what is the future of financial reform in the region?

To answer this, we need to first look at the origins of financial liberalisation, which has been one of the most influential and most contested policy programmes of the past half-century.

Built on the seminal contributions in 1973 of prominent development and monetary economists Ronald McKinnon and Edward Shaw, the process has broadly involved liberalising interest rates, removing credit controls and directed-credit obligations, reducing state ownership of banks, easing restrictions on the entry of foreign banks, and opening the economy to international capital flows.

In Southern Africa, it was supposed to be an avenue through which the poor, who form the bulk of the Sadc population, might gain access to financial resources and so escape the pockets of poverty in which they are trapped.

But have these processes benefited Sadc or Africa?

We need to pit McKinnnon and Shaw's assertion that liberalisation raises growth against the neo-structuralist, post-Keynesian argument that liberalised finance is inherently prone to instability. The recurrence of liberalisation-related banking crises across Latin America, East Asia and Africa lends weight to this view.

Liberalisation only succeeds where macroeconomic stability, prudential supervision, legal infrastructure and institutional quality are in place, and where reforms are sequenced so that the domestic financial system is strengthened before it is exposed to open capital flows.

This frames the pressing need to improve Africa's financial architecture. Its first-priority problem is less an absence of capital than a shortage of appropriate structures to mobilise it: an estimated several trillion dollars of domestic capital, in bank assets, pension funds and reserves, is largely locked in short-term, low-risk instruments such as government bonds rather than in long-term, productive investment.

> **"The conundrum of financial liberalisation resolves not into a verdict of success or failure but into a question of conditions**

The second priority is to reduce debt and rebuild policy autonomy. A large number of African countries now spend more on servicing debt than on public health, and the combination of high debt with constrained autonomy makes liberalisation precarious: open capital accounts on a foundation of high debt invite volatile inflows and outflows, currency instability and reliance on risky short-term financing, while higher interest rates raise non-performing loans and weaken bank balance sheets.

The third priority is to deepen regional integration. Africa's financial sector remains bank-dominated, with only a few countries, such as South Africa and Kenya, possessing deep and liquid securities markets; weak regional integration leaves markets fragmented and exposed.

The fourth priority concerns the classic preconditions. Achieving low and stable inflation is necessary to keep real deposit rates positive without extreme nominal rates, to allow banks to price risk and to make bond and equity markets attractive. Strong prudential regulation must be put in place before liberalisation, not after a crisis has forced it.

My forward agenda centres on newer requirements.

The first is actionable climate finance, including grants, loans and private investments that are immediately usable for bankable, scalable mitigation and adaptation projects.

The second concerns resilience to shocks. The Covid pandemic sharply increased inequality, straining the resilience of financial systems and underscoring that the capacity to save is central to financial resilience.

The third is the competition–stability–growth trilemma: how to foster banking competition, preserve stability and drive growth simultaneously.

The fourth concerns the financing of Africa's natural wealth. Converting its resources into sustainable development requires moving from raw commodity exports to beneficiation, industrialisation and better governance.

Conclusively, the conundrum of financial liberalisation resolves not into a verdict of success or failure but into a question of conditions. In Sadc, credit, bank stability, financial inclusion, institutional quality and management of illicit financial flows jointly determine whether liberalisation reduces or reproduces the majority's poverty.

Africa's problem is not principally a shortage of capital but a shortage of the architecture, the institutions and the prudential strength needed to mobilise capital safely and to direct it towards the productive, inclusive and sustainable.

Reform must, inter alia, strengthen supervision before opening capital accounts, embed financial inclusion alongside financial literacy and stem the illicit outflows that drain the continent's resources. The future of financial reform in Africa lies not in the simple choice between more or less liberalisation, but in reform that is better sequenced, better supervised, more inclusive, and, increasingly, aligned with the imperatives of climate and sustainable development.

*Prof Jeke is an economist in the faculty of business and economic sciences, Nelson Mandela University. This piece is based on his inaugural lecture on July 22 2026.