

## **CHALLENGES OF NARROWING THE SOUTH AFRICAN DEFICIT AND CURBING DEBT: PROSPECTS FOR EMERGING MARKETS WITHIN THE CONTEXT OF THE BRICS COMMUNITY (BRAZIL, RUSSIA, INDIA, CHINA AND SOUTH AFRICA)**

**ANIS MAHOMED KARODIA (PhD)**

*Professor, Senior Faculty Member and Researcher at the Regent Business School, Durban, South Africa*

**DHIRU SONI (PhD)**

*Professor and Director of Research at the Regent Business School, Durban, South Africa*

**AHMED SHAIKH**

*Managing Director and Senior Lecturer at the Regent Business School, Durban*

### **ABSTRACT**

This paper examines the consequences of the widening deficit and debt problem and challenges that South Africa faces. It argues that spending cuts are a prerequisite for attaining fiscal stability, reducing debt and meeting the challenges that confront the country in respect to deficit, because South Africa faces the reality of another downgrade if debt levels rise. It further examines emerging markets' prospects which may start to split as investors grow more discerning, especially within the BRICS countries (Brazil, Russia, India, China and South Africa). It further argues that much more differentiation will take place, in order to distinguish between one emerging market and another. On the other hand the paper will very briefly enunciate and discuss that the Johannesburg Stock Exchange (JSE) highs is no cause for any euphoria because, it has very little to do with real economy.

Key Words: Debt, Deficit, Fiscal, Differentiation, Emerging Markets, Monetary, Budget, Government, Gross Domestic Product (GDP), Spending, Economy.

### **INTRODUCTION**

The South African Finance Minister will struggle to tame the government's budget deficit as quickly as predicted earlier this year, as flagging economic growth curbs tax revenue, pushing up borrowing costs. On the other hand emerging markets is shattering and, investors in these markets are becoming more discerning about where they put their money, shying away from countries such as Brazil, India, Indonesia, Turkey, Russia and South Africa, except China within the BRICS compact of countries. According to Visser and Erasmus (2009: 137) "the basic objective of debt management operations is to finance the so – called deficit before borrowing and debt repayment of the exchequer in a non – inflationary manner, as well as to exert better control over liquidity in the economy (Fourie and Mohr in Visser and Erasmus, 2009: 137).

Management of debt is a serious responsibility. What should be considered is that government debt exists to finance budget deficits and, therefore, the responsibility of the public financial system is to manage effectively the financial system.

The basic assumption is that emerging markets cannot compete with highly industrialized nations on an equal basis, paving the way for greater government intervention. One result of this may be that governments of less – developed countries could probably tend to become more socialist – oriented in their efforts to offset the disadvantages caused by the lack of access to information and technology. However, the fundamentals of market failure and the resultant role of government, still hold true. Since the economy continues to be influenced by the lack of resources, whether material or immaterial, government will still fulfil a crucial role in society. In fairness to government, it should also be considered that national policies, especially fiscal policies, also aim to regulate the economy of a country for the purpose of stabilization and creating an infrastructure and environment conducive to conditions for economic growth. Government therefore, according to Visser and Erasmus (2009: 73) “has to exercise a dual approach with regards to the way that it uses its fiscal instruments to maintain social equality by the distribution and allocation of wealth and resources.”

Budgets serve specific purposes in the public sector and, therefore, can be characterized according to particular elements. Budgets contain information concerning:

- Policy objectives.
- Monetary or financial implications associated with the objectives, and
- Implied taxation measures linked to the financial implications.

It is within the context of the above that the paper will examine a host of issues as outlined in the abstract of this paper.

### **ATTEMPTING TO NARROW THE SOUTH AFRICAN DEFICIT OR FACE ANOTHER DOWNGRADE IF DEBT LEVELS RISE**

The budget deficit gap will probably reach five percent of gross domestic product (GDP) in the year to March, according to the median estimate of sixteen economists surveyed (Vollgraaff, Brand and Tartar, 2013: 22). It is up from the 4.6 percent forecast by the Finance Minister in his February 27, 2013 Budget. Since then, ten year bond yields have risen 70 basis points, the biggest gain after Turkey and Slovenia among emerging market nations in Europe, Africa and the Middle East, data show. The South African Minister of Finance is under pressure to narrow the deficit from year to year to prevent another downgrade of South Africa’s credit rating, which is on a negative outlook at Standard and Poor’s and Moody’s Investors Service. With strikes within the mining sector and vehicle makers disrupting output, the economy is set to expand at its slowest pace this year since 2009. GDP growth has continuously been lower than forecast and this thus means the deficit ratio will come under pressure. The shortfall on the budget will probably narrow to 4.4 percent of GDP for fiscal 2015 and 3.6 percent the following year, according to the survey (Vollgraaff et al, 2013: 22). The Finance Minister indicated that the deficit would be 3.1 percent by 2016 based on economic growth projections of 2.7 percent this year, 3.5 percent next year and 3.8 percent in 2015 (Gordhan, 2013 in Vollgraaff). Growth may be forced to be trimmed to 2.1 percent this year and 2.9 percent in 2014, according to another set of economists (The Times, 2013:6). In South Africa observation reveals that GDP growth has continuously been lower than forecast and this therefore means the deficit ratio will come under pressure. Fiscal flexibility remains constrained while economic growth has continued to disappoint, a combination of a soft global outlook and a series of labour – related shocks to domestic activity. The widening budget deficit is pushing up government debt levels, which would reach 45

percent of GDP in the year to march 2016 from about 43 percent this year (Gordhan, 2013 in Vollgraaff). The rand has lost 14 percent against the dollar this year, the worst performer among 16 major currencies tracked by Bloomberg. Yields on rand bonds due in February 2023 climbed 4 basis points to 7.44 percent in the month of October, 2013.

South Africa might face another credit rating downgrade if the government raised debt levels much further. Moody's (2013 in Vollgraaff) rates the nation, the third – lowest investment grade and on par with Mexico, Thailand and Russia. South Africa must therefore not renege on the pledge to rein in spending and borrowing. Observation reveals that under spending by some government departments and a \$2 billion (R20 billion) bond issue earlier this year will help the Department of Finance to plug a larger than expected budget deficit without raising domestic borrowing. Further, given the pressure on the sovereign's credit rating and the structural constraint of low domestic savings, there will be little room by the Finance Minister to give more stimuli via fiscal policy. In other words concerns about fiscal slippage have dissipated and that the Treasury really needs to make stronger efforts to try and rein in the budget deficit.

### **NO EASY SPENDING CUTS**

In South Africa for many it is a question of survival and starvation, but this would not sway the Finance Minister of South Africa for higher payouts to grant recipients when he announces the mid – term budget in parliament in November of 2013. With revenue under pressure as economic growth remains subdued. "It is expected that there will be a rein on spending to pacify rating agencies worried about profligacy ahead of the elections next year in 2014." (Roelf, 2013: 22). It is possible that the Finance Minister will probably also widen the budget deficit forecast for fiscal 2013 /14 to 4.9 percent of GDP from the 4.6 percent that was predicted in February, 2013 according to a Reuters poll of 15 economists. That means poor South Africans will have to tighten their belts in spite of their meager grants. After two decades in power, the African National Congress is extending grants to the most vulnerable, including children, the elderly and the disabled.

### **EMERGING MARKETS START TO SPLIT AS INVESTORS GROW MORE DISCERNING: ANALYSIS IN THE CONTEXT OF BRICS**

Emerging markets are at risk and investors in these markets are becoming more discerning about where they put their money, shying away from countries such as Brazil, India, Indonesia, Turkey and South Africa. Behind the discrimination is a new – found focus on current account deficits and structural weaknesses exposed by the likelihood of a lesser stimulus from the US Federal Reserve and cooling demand in China. This is a break from the last four years, when emerging markets mainly moved in tandem, seen as either a blanket buy or sell, with little regard to individual circumstances. According to Chandra, Kennedy and Miller (2013: 23) "such a mindset was epitomized by the popularity of the Bric acronym coined for Brazil, Russia, India and China to reflect their potential as future economic powerhouses. Investors will be far choosier among emerging markets than they have been in the past; there will be a natural inclination to seek out the ones that are the best positioned. They add that Mexico, the Czech Republic and South Korea are among the still attractive countries because they are less reliant on foreign finance or took advantage of easy money from Fed stimulus to strengthen their economies."

### **FED SURPRISE**

The Fed's surprise decision to continue its assets purchases provided emerging markets with a respite, as sales of their currencies abated. Some of these nations according to Michael Shaoul, the chairman of Marketfield Asset Management (2013: 23 In Chandra et al), would see further capital outflows in the next six months as investors started to break it down between good

emerging markets and bad emerging markers. It is a question of betting against emerging market equities and bonds, including those of Brazil and India. There is a real selling opportunity.” According to the International Monetary Fund (IMF) the “theme of differentiation is gaining ground as the IMF warns that growth in emerging and developing countries is the weakest since 2009. The Fed signaled it might consider paring its \$85 billion R834 billion) in monthly bond purchases; the Indonesian rupiah has fallen 11 percent against the dollar and the Indian rupee has declined 12 percent, with the Turkish lira dropping 9 percent and Brazilian real losing 8 percent. By contrast the Mexican peso has lost 5 percent, the South Korean won has risen 3.8 percent and the Czech koruna has climbed 3.5 percent. The Brazilian real lost 51 percent in 2001 and 2002, the Indonesian rupiah plunged 86 percent in 1997 to 1998 and India’s rupee fell 42 percent from 1990 to 1992. In 2001, the Turkish lira declined 68 percent and the South African rand depreciated 52 percent” (Chandra et al, 2013: 23). The worst may yet not have come. This is the reality of economics.

Many emerging markets had also used many of their defences fighting the global financial crisis. Mexico seems to be doing the right things, whilst Brazil was reverting to its old habits and Turkey denies that it has any problems. The basic story of emerging markets today is that they are going through an adjustment period. And therefore one should not consider emerging markets to come back to anything of the past that we are used to.

### **TURNING POINT**

There is a slower growth rate in China compared with the mid – 2000s and that the signs of US monetary policy may be reaching a turning point. The Business Report, 2013: 23) states that “previously, China’s double – digit expansion prompted investors to bet that it would serve as a magnet for the products and commodities of other emerging markers. In addition, low interest rates in developed countries led capital to seek higher returns elsewhere, masking or even encouraging fault lines such as widening current account deficits, weak productivity, a small share of investment relative to domestic consumption and delays in infrastructure improvements.” There is no doubt or at least little doubt that after the financial crisis, the magic asset was mostly found in emerging markets and therefore money poured in. There was no understanding in respect of the quality of growth in terms of whether it was good.

Brazil has suffered a slump in the real after relying on credit – led consumption, which failed to boost productivity and returned its current account deficit of about 3 percent of GDP. Indonesia is hampered by inflation close to a four year high and a record current account shortfall. India is held back by a cooling growth, elevated inflation, inadequate infrastructure, and distorted regulations, which is a real problem (Chandra et al, 2013: 23). Only last month, Standard and Poor reiterated that it might downgrade South Africa’s credit rating because of risks such as budget and current account imbalances. Turkey and South Africa now have a current account gaps bigger than 6 percent of GDP. Russia is hobbled by weaker global demand for its exports of oil, natural gas and metals and is growing at the slowest pace since a 2009 contraction. This is indeed serious for the BRICS nations.

### **MORE DIFFERENTIATION**

A lot more differentiation would be seen. What is important is to distinguish between one emerging market and another. Of primary understanding is the all embracing reality that those decisions taken by the major advanced economies influence other countries either positively but in the main negatively. The negative spillover effects are strongest in countries with a big current account deficit and a delay in domestic reforms (South Africa fits this picture and is a member of BRICS). From this it is obvious that countries cannot have the same monetary policies, but there

has to be better predictability. It is obvious that national productivity must be drastically improved and therefore, in bad times it is not fair to push structural reforms, because there was and is less political resistance.

### **JOHANNESBURG STOCK EXCHANGE (JSE) HIGHS HAS LITTLE TO DO WITH THE REAL ECONOMY**

In recent times according to Crotty (2013: 18) “stock exchanges and the real economy seem to have drifted apart. Strong stock exchange values are not predictive of a strengthening economy nor are they indicative of a recently strong economy. In South Africa’s case the JSE appears to be linked far more to US monetary policy than to the performance of the South African, or even international economy.” It’s most recent record high was reached as a result of indications that the US government will continue with its quantitative easing (QE) programme. Local analysts in respect of QE blame it on South Africa’s inability to create a risk – free environment in which corporate executives will be able to thrive; an environment in which executives will be unhindered by real – life challenges such as a truculent workforce, a volatile currency and uncertain policy. This is a complex issue, however, the reluctance to invest and the sloshing in and out of QE funds increases the casino – like aspect of the JSE, which makes the situation much more precarious for the millions of ordinary people who are not planning to cash in within the next three years. Perhaps as the local stock market reaches ever - new highs it is time to consider under taking a vigorous cost – benefit analysis of the JSE and identifying who gets the benefits and who lands up with the costs of this powerful island called stock – exchanges. It’s not as cozy as South Africa may see or project upon it.

### **NO PROVISION ON HOW TO FIGHT GRAFT**

The South African Finance Minister’s promise to tighten the purse strings on government officials’ wasteful expenditure did not go far enough to tackle the problem of explicit hedonism and corruption. Bond (2013: 6 in Comins and Mlambo) states that: to cut expenditure on travel. Alcohol, entertainment, official housing and credit cards signaled a possible derailment if the “gravy train,” but this was only the most superficial form of waste, and the big money, is still going into ‘white elephant’ water, which appears set to continue if the heavy infrastructure commitments continue, the tenderpreneurship cronyism is not halted, and the same construction firms are hired as colluded on R40 billion (worth) of past mega – projects.” Bond added that the Minister of Finance recognizes the problem but appears to have no solution to it, since he is apparently committed to yet more privatization and that the government was not prepared to spend the necessary resources to meet basic needs.”

The problem in South Africa is that the government is borrowing to build white elephant projects and the Minister of Finance in actual fact is a “lame duck” Finance Minister because he does not have a political constituency, is appointed by the president, that no one listens to him within the cabinet and he does not have the political power to reverse anything even if he wants to. This is the reality in South African politics. His statements are pleasing to bankers and will not resolve the deeper crisis in the country. It appears that government wants to tighten its belt because of the world financial crisis and to avoid a further economic downgrade in its turbulence and not really deal with corruption. However, the curtailing of wasteful expenditure must be welcomed. What is required is political will and not political rhetoric. It has to be ensured that taxpayer’s money is well spent. But, with the 2014 election around the corner one will see that patronage is heightened and that austerity measures will come to naught. This is reflected in the democratic character and polity of South Africa.

### **SOUTH AFRICA LAGS IN GLOBAL GROWTH CYCLE**

It is obvious in South Africa's case that a softer world economy and weak domestic business confidence are insufficient to create desired levels of employment locally. In a world riddled with challenging economic circumstances and with some of the biggest economies in the world under siege, investors are struggling to find a good place to put their money. The global economic outlook according to Masote (2013: 3) remains dim and that GDP globally is expected to grow by only 3.5 percent next year, while developing markets are expected to grow by 5 percent; but South Africa's growth will not match that of its developing market peers, and according to him and Absa investments South Africa's GDP would grow only 2.5 percent." It is therefore most obvious that a softer global economy and weak domestic business and household confidence are expected to keep GDP growth at low levels, below potential, and are insufficient to create the desired levels of employment. Pheiffer (2013: 3 in Masote) said that "GDP expectations for developing markets had been reduced as a whole, even in China, which for a long time had been the beacon of extraordinary economic growth. Slower growth in China is a result of efforts to rebalance and upgrade the economy, but they have challenges from overcapacity, local government debt, shadow banking and external shocks." In respect to growth emerging market investments have been scaled down in China and shares on the JSE although reaching record highs, but for the past two months dividend growth overtook earnings growth in South African companies and this thus signaled a vote of no confidence in South African companies. Another factor is that the weak rand is not helping the manufacturing sector of South Africa. Gold mining stocks were also not attractive at the moment because the gold fund has lost its luster.

#### **DOES THE BUDGET LAY THE BASIS FOR GROWTH?**

Economic growth and job creation could significantly contribute to narrowing the deficit. This would mean that South Africa must create the climate for investors. It must be recognized that South Africa's economy faces huge constraints which limits its appeal as a destination to undertake business. It has to focus on growth and investment and the synergies between business, labour and government, in order to create the necessary confidence. According to Nedbank economist Isaac Matshego (2013: 4 in Isa) "in order to reach 5 percent by 2016 global conditions would have to be very favourable and that the growth momentum will have to come from the global economy and domestic exports will have to be buoyant." It has to be acknowledged and recognized by government that the South African economy was injured by patronage, corruption, wasteful expenditure, a lack of accountability, costly power supply, labour strikes, lower household consumption, weak business confidence and slowing private sector investment and the fluctuating rand. It has also to be acknowledged that the public sector is bloated, unproductive and its wage bill is too high. By the same token government must recognize the role private sector in job creation because it accounts for 80 percent of employment in the country.

#### **IT'S ABOUT ACCOUNTABILITY NOT LUXURIES**

South Africa's greatest problem or challenge is lack of accountability and lapses in leadership. In the words of the Public Protector (2013: 34 in Sefara) "governance is a relationship of trust and it can only succeed if those who are entrusted with power and resources understand that they are stewards and, that resources do not belong to them. At the level of government there is a mentality from communities that says if we start a fire they will come. With a trust deficit with regard to government, some communities are increasingly resorting to violence and are literally starting fires with a view to draw attention to them." The Finance Minister will have great difficulty in explaining among his austerity measures why this austerity came after his

department authorized that R206 million expenditure on behalf of the president's Nkandla homestead. All of this boils down to accountability, the rule of law and the consolidation of constitutional democracy and, to halt the lapses in political leadership. Without these prerequisites, "the applause and cheers that the Minister of Finance received in Parliament will be ephemeral; the victory pyrrhic. Beneath the spin lie the hard truths of the Minister of Finances medium – term Budget. What remains now is for government to follow though the Finance Ministers commitment to the National Development Plan (NDP), which promises increased economic growth and job creation. Given the polity of South Africa since freedom in 1994, this might be a utopian ideal under the African National Congress (ANC) led government. Time will tell.

Brendan Boyle (2013: 11) states that "the mini – budget indicates that the 2014 election is on the ANC's mind. They had to respond to the fact that investor perceptions are negative and the rating season is upon South Africa." With an election on the horizon and the fiscal cupboard almost bare, the finance ministers medium – term budget (October 2013) was much about signaling it as it was about spending. It was just a promise of a long slog towards the sustainable economic growth that remains the kingpin of the government's plan to fight poverty and inequality. In reality, it has become the Finance Ministers mantra to tell Cabinet Ministers that they cannot have more often than what they can have. In any case South African Cabinet Ministers and the upper echelons of the failing bureaucracy never listen to the Finance Minister. His aim is curtailing spending from curtailed revenue with a sharpened focus on outcomes that will lay the foundation for increasing output. By the same token investors must be reassured with a claim of stability in a climate of overt instability in all aspects of governance. This must be welcome after the vacillation of the president in respect to policy imperatives that has shattered investor confidence. He assured investors that it was a move away from arbitrary policy imperatives of the past. It is a balancing act and that government had to respond to the fact that investor perceptions are negative and the rating season is upon South Africa. Citizens have had enough according to Boyle (20123: 11) "to the predatory elite of the ruling party and therefore signaled an intention to do something about it".

According to Boyle (2013: 11) "they have made the assumption that holding out against pressure for more spending will not hurt the ANC in the 2014 election, but he (Boyle) is not certain that the Finance Minister has calculated correctly. If citizens got the choice, is this what they would have done?" ratings agencies that have mostly put South Africa on watch for a downgrade gave cautious support to the Minister of Finances package. Konrad Reuss (2013: 11c in Boyle) MD of Standard and Poor's for South Africa, said "there is implementation risk while the continued and rapid rise in debt – service costs is one of the risks that has continued, which puts some pressure on the local currency rating." On the other hand Fitch (2013: 11 in Boyle) states that "the policy statement provides a realistically sober assessment of the challenges South Africa faces. It highlights the need to boost job creation, invest in infrastructure and improve the efficiency of government spending." In other words it is the question of navigating a delicate course between the demands of the poor, still looking for apartheid rule redress, and the disciplines of the market, which is the only possible source of that relief. It is a question of taking some strong decisions and appealing to the middle class as well as the poor in an election season. Next year's budget according to Boyle "will be the ultimate test of this new determination, if one can call it a determination to do the3 right thing." South Africa has a long road to travel in respect of fiscal prudence. Donnelley (2013: 8) indicates that "developed market policy makers were showing a growing appreciation of the potential spill – over effects in an interconnected global financial

system. But these issues are not an overwhelming factor for the government's fiscal planning, although it could not be unaware of these risks." Lastly, according to Letsoalo (2013: 26), Minister Lindiwe Sisulu is determined to deliver a public service that is professional and free of graft. Public servants are not politicians they must be loyal to the Constitution and the laws of the country." No one will disagree with this. However, it exemplifies the poor character and the dismal state of the South African Public Service, post 1994 and the urgency to address this fundamental anomaly, the malaise and morass of the public service that needs to be saved and therefore the idea to start with the commissioning of a School of Public Administration, in order to address the manifest problems that confront the public Servant after 20 years of democracy, is not long overdue but of fundamental importance, in order to entrench the norm of service delivery and to deal with public affairs in an orderly and professional manner.

### **RESERVE BANK WARNS ON RATINGS**

It is obvious that another rating downgrade could have far reaching implications for South Africa, the Reserve Bank has warned (Hazelhurst, 2013: 1). Among the dangers identified in the banks financial stability review is that the country might fall out of Citi's world global bond index, which provides a benchmark for institutional investors. The bank estimates South Africa's inclusion in the index a year ago has attracted R60 billion in capital flows. The country's rating has already been cut one notch by three agencies over the past 13 months. And the agencies have expressed concern at the size of the budget deficit, the gap between government spending and revenue, and confusion over policy. According to Hazelhurst (2013: 1) "rating agencies' reaction to last week's medium – term budget policy announced by the Finance Minister in the budget policy statement remains mixed; and currently Standard and Poor's (S and P) has South Africa at BBB, one notch above the speculative grade threshold, and Moody's Investors Service has it at Baa1, two notches above. As the rating falls down the scale, passive investors may maintain their exposure but more active investors may reconsider their portfolio exposures."

When a country's rating fell below BBB (from S and p) and Baa3 (from Moody's, it could be removed from next month's profile and moved to additional market indices (Hazelhurst, 2013: 1). This demotion would reduce funding from institutional investors, which have to follow strict guidelines on the quality of their investments. Below the investment threshold, bonds are generally described as speculative grade or simply junk. Countries classified as junk find it costly and difficult to obtain credit. According to Hazelhurst (2013:1) the lower the sovereign's rating, the higher the interest bill, and the government already spends about 8, 7 percent of its budget on servicing debt. It is not only the government that will pay more but state owned enterprises and private business will be downgraded along with the sovereign."

What then are some of the outcomes of the South African deficit?

- It will lead to higher interest rates and this will affect households.
- It would indirectly affect the banking industry due to bad debts and defaults.
- The gap between revenue from exports of goods and services and the import bill, because the country depends heavily on inflows on the financial account to keep the economy moving. If these flows dried up, the economy's ability to grow would be reduced further.
- There has been a resurgence of shadow banks in South Africa. These are not banks but perform banking activities. It increases access to finance of borrowers experiencing funding shortages.
- These institutions are not regulated and therefore pose a systemic risk and can trigger a domino effect in the economy.

- South Africa has to deal with a magnitude of issues and the government must use its energies to consolidate debt, deal with its deficit decisively and continue to address these challenges.
- Failure to deal with these issues could have devastating effects on all sectors of society and will increase unemployment, inequality and poverty.

## **CONCLUSION**

From the discussion undertaken in this article, it is obvious that South Africa has a long road to travel in terms of narrowing the fiscal deficit. This appears to be a herculean task. It depends solely on government and its resilience to deal with issues created by it. It is hoped that the mid – term budget announced by the Finance Minister is not a smokescreen in an election year that arrives in 2014. The government must deal with narrowing the fiscal deficit with the urgency it requires or risk its participation within BRICS and more importantly risk its status as an emerging market and, this will put paid to its desire of creating a developmental state.

## **REFERENCES**

- Boyle, B. (2013). Mr. Reason shows he's not scared to take bull by horns. Sunday Times. October, 27. Page 11.
- Chandra, S. Kennedy, S. and Miller, R. (2013). Emerging markets' prospects start to split. Business Report. October 23. Page 23.
- Comins, L. and Mlambo, S. (2013). No provision on how to fight graft. Daily News. October, 24. Page 6.
- Crotty, A. (2013). JSE's highs have little to do with real economy. Opinion and Analysis. Inside Business. October, 23. Page 18.
- Dlamini. P. and Strydom T.J. (2013). Public officials in dire straits. The Times. August 14. Page 1 – 2.
- Donnelley, P. (2013). Fat cuts preempt a leaner future. Mail and Guardian. October 25 to 31. Page 8.
- Hazelhurst, E. (2013). Reserve Bank warns on ratings. Business Report. October 30. Page 1.
- Isa, M. (2013). Budget lays basis for SA's growth. Business Times. October, 27. Page 4.
- Letsoalo. M. (2013). "Civil public servants on the way." Mail and Guardian. October 25 to 31. Page 26.
- Masote, M. (2013). SA lags in global growth cycle. City Press Business. October, 20. Page 3.
- Sefara, M. (2013). It's about accountability not luxuries. The Star. October 25. Page 34.
- The Star. (2013). Editorial. The meat of the Budget. October 25. Page 34.
- Visser, C. B. and Erasmus, P.W (2009). The Management of Public Finance. Oxford University Press. New York.