

Sub-Regional Inception Workshop on:
**“Financial Sector Policies and Implications for Employment, Equity and Economic
Development: International Experience and Lessons Learnt”**
Pretoria, 5-6 July 2012

UN-DESA in partnership with UNDP-South Africa and the Economic Development Department of the Government of South Africa, organized a sub-regional Inception Workshop on “Financial Sector Policies and Implications for Employment, Equity and Economic Development: *International Experience and Lessons Learnt*” on 5-6 July 2012 in Pretoria, South Africa.

The Workshop formally launched the Research and Policy Analysis Programme (RPAP) jointly implemented by EDD, UN-DESA and UNDP-South Africa to analyse the role of the financial sector in the overall economic development of South Africa, particularly the impact of financial sector development on consumption, savings, long-term investments, employment and income distribution. A team of South African economists at the Corporate Strategies and Industrial Development Research Programme (CSID) of the University of the Witwatersrand are involved in implementing the research agenda of RPAP during 2012. As part of the RPAP implementation arrangement, UN-DESA and UNDP South Africa commissioned an international reference team to provide advisory guidance and capacity development support for policy research in South Africa.

The Workshop provided a platform for participants and the experts of the international reference team to exchange views and share knowledge and expertise on the research methodology, approaches, relevant international experiences and perspectives on role of the financial sector in economic development, and key policy options to ensure that the South African financial sector plays a catalytic role to generate employment and facilitate the achievement of the objectives of the New Growth Path of the South African Government. Specific topics covered by the Workshop included the impact of financial and capital market liberalization on long-term investments, employment and income distribution; the financialisation of the South African economy and its impact on the economic growth and employment; a comparative analysis of the trend and key determinants and cost and benefits of the volume and volatility of portfolio inflows into South Africa; and the impact of foreign ownership of the financial sector on the terms and availability of credit and economic development.

H.E. Ebrahim Patel, Minister of Economic Development, addressed the Opening Session of the Workshop. Participants included senior policy makers from the Economic Development Department (EDD), the Department of Trade and Industry, the National Treasury of the Government of South Africa, as well from academia and other non-governmental stakeholders such as the CSID, engaged in the financial sector policies of South Africa, and senior policymakers from Botswana, Lesotho, Swaziland, and Zambia. International experts that participated in the Workshop included Professor Joseph Stiglitz and Professor Akbar Norman from Columbia University, Dr. C.P. Chandrasekhar, Centre for Economic Studies and Planning of Jawahar Lal Nehru University, India, and Dr. Hamid Rashid, Senior Macroeconomic Advisor, UNDESA. Dr. Rashid made a presentation on “Financial Market Liberalization and Its Impact on Sub-Saharan Africa.”

The workshop was organized as part of the project “Strengthening National Capacities to Design and Implement Development Strategies for inclusive, equitable growth and sustainable development”.