Is SA really ready for the fourth industrial revolution?

There is great enthusiasm for the fourth industrial revolution in SA. But are we ready for it? Not everyone thinks so!

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The keynote speech of US-based futurist George Friedman at a fourth industrial revolution (4IR) summit held earlier this month in Johannesburg opened a can of worms. Friedman appears to have boarded a plane and come all the way to Africa only to tell a gathering that SA should go back to the old way of doing things. Friedman believes SA should take a step back to the third, or even the first and second, industrial revolutions for answers on how to lift a quarter of its population out of unemployment and despair.

Instead of trying to skip the phases that developed economies such as the US, China and Japan underwent, SA needs to place far more emphasis on a low-wage export system, Friedman said. It means SA needs to develop industries to absorb low and unskilled labour. This, coupled with cheap labour, will attract business. And SA will earn money from exports, he told representatives of technology companies as well as executives and government officials.

"A vast part of the SA population is so impoverished that it won’t fully benefit from 4IR. China took advantage of its low wage rate and in essence exported labour. It is now one of the leaders of 4IR. SA needs to do the same," Friedman said. It’s an unpopular opinion. But does it have merit? And does it mean that SA cannot expect technology to assist its growth trajectory? With growth of just 0.8% in 2018, there is no question that SA is in trouble.

But the MD of Deloitte Consulting for Africa, Thiru Pillay, disagrees with Friedman, saying he doesn’t understand SA’s context. "[Friedman] articulates a very linear, one-dimensional approach to economic development," says Pillay.

"Everybody agrees that we have [the] problem [Friedman mentioned], but people do not agree with his vision for our society.". Friedman doesn’t have a vision for our country, says Pillay. "He has a very technocratic view about how to solve one problem — and we are not a one-problem country." Pillay says SA has "deep technology adoption and a sophisticated services economy". At the same time, the unemployment rate is 27% and 17-million South Africans rely on social grants from the state. Wits vice-chancellor and principal Adam Habib says Friedman doesn’t understand that SA is not made up only of townships. "SA is both Alexandra and Sandton in the same place."

One of SA’s biggest problems, Friedman said during his address, is that people don’t know how to raise themselves out of poverty. SA has a challenge of "social mobility". He pointed to the fact that a lot of people are very angry. Pillay and Habib agree that SA’s marginalised communities should not be forgotten, were SA to rush into new tech. "He’s right in identifying the problem. He’s right in us having to be pragmatic about it," Habib says. "Where he is wrong is he assumes we can only do one thing and not another."

A survey was done to find out the readiness of South African about the 4IR. The table below show the results.

**Technologies Already transformed Actively transforming Will transform within five years**

Cybersecurity 20 44 23

AI 14 37 36

IoT 20 40 18

Cloud Computing 29 39 25

Voice activated personal assistants 20 38 28

AR 15 34 27

Chatbots 15 35 31

Blockchain 11 30 27

Cryptocurrencies 14 30 33

However, Habib says it is good to have a contrarian view and agrees that SA needs to deal effectively with those who are disenfranchised by unemployment.

SA’s unskilled cannot be ignored. "It’s an important thing to mention because in our policy frameworks we seem to forget it," Habib says. "People often say: ‘Everybody needs to get decent jobs.’ But what do people mean when they say ‘decent’?" Habib asks, explaining there are many steps to achieving economic equality in SA.