

BusinessDay

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FTSE-JSE indices Close		% ch	FTSE-JSE all share daily close		Bonds/forwards		% ch	Currencies		IRESS	% ch	Commodities Latest		% ch	Foreign Markets Latest		% ch
All Share	50 899.70	▼ 113	Close: 50899.66		R186	8.62	▼ 0.12	R/\$	13.44215	▼ 1.96	Gold PM Fix	1340.50	▲ 0.14	Dow Jones	1822378	▲ 0.71	
Top 40	44397.10	▼ 126	↓ 1.13%		R207	7825	▼ 0.06	R/£	17.50085	▼ 1.62	Gold NY	1341.90	▲ 0.01	S&P 500	2159.57	▲ 0.63	
Findi 30	70090.30	▼ 111	June 28 2016 Sept 27		3-mth NCD spot	341.23096	▲ 0.00	R/€	15.08745	▼ 2.19	Brent Future	46.19	▼ 1.68	FTSE 100	6818.04	▼ 1.32	
Resources 20	14529.30	▼ 116			R/\$ (6-mth)	4787	▼ 1.17	\$/€	1.12241	▼ 0.26	Platinum PM Fix	1024.01	▼ 0.99	Nikkei 225	16683.93	▲ 0.84	
Goldex	2070.95	▼ 2.09			R/\$ (12-mth)	9649.5	▼ 1.38	¥/\$	100.322	▲ 0.01	Palladium Spot	69750	▲ 0.72	Xetra Dax	10 361.48	▼ 0.31	



Some ways to fund fees without gaps or taxes

INEQUALITY and poverty are core to the current student uprising. Section 9 of the Constitution deals with the concept of equality and restitutionary measures.

Judge Dikgang Moseneke provided valuable guidance in a judgment against the backdrop of equality in “a society deeply divided, vastly unequal and uncaring of human worth”. Remedial or restitutive measures were necessary to tackle these “stark social and economic disparities”, he said.

Perhaps the most significant remark that applies to the pressing higher education dilemma is that only by means of a “positive commitment to progressively eradicate socially constructed barriers to equality and to root out systematic or institutionalised underprivilege” can the constitutional ideal of social equality and equal benefits be achieved.

Black economic empowerment (BEE) is meant to be restitutive or remedial in this sense. Its aim is to bring about broad economic inclusion and participation by eliminating systemic inequalities. Education and training serve as the most powerful tool to alleviate poverty and inequality.

The cost of higher education in SA is unaffordable for poor and middle-class families. This issue did not start yesterday: it is the culmination of a variety of factors that have now boiled over.

We have experienced, in less than a year, three incidents of disruption and damage to the very instrument we urgently require to tackle poverty and inequality. The way that the government is dealing with this issue does not inspire any confidence.

This issue should have been



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BEE MATTERS

dealt with much earlier and gradually over the years, but was grossly neglected. You cannot promise people something you cannot fund — like no-fee increase.

The government claims it does not have money. Yet SA has troops in countries such as the Democratic Republic of Congo and Sudan, and offers loans, donations and food to autocratic, human-rights-violating countries such as Swaziland and Zimbabwe.

So much for “charity begins at home” but, rest assured, resentment surely does.

The government sparked dismay when it extended yet another R5bn guarantee to South African Airways and wrote off a loan of R60bn to Eskom in 2015. With a budget of more than R1-trillion, the government’s claim that it does not have money means essentially that budget priorities are wrong and that South African children and higher institutions — the future of SA — are not important enough.

Some commentators suggest that to raise revenue to tackle this problem, taxes will have to be increased or new taxes, such as a



University of Cape Town academics and health faculty students demonstrate outside Parliament last week. The government cannot promise to freeze university fees when it does not have the money. Picture: SUNDAY TIMES

wealth tax, introduced. Alternatively, other social funding will have to be reallocated, and this will leave a gap somewhere else in society.

Both suggestions are neither prudent nor necessary.

Fortunately, there are extremely prudent and practical ways of raising revenue without increasing taxes or leaving gaps somewhere else. In terms of the amended BEE codes, generic entities must spend 6% of their annual payroll on the training of black people — up from 3%. The government can set up a fund similar to the new SME (Small and Medium Enterprise) Fund and allow businesses to donate this money to higher

education to earn their BEE points.

This can already be done, but the points are not high enough to encourage large-scale support from business, and the government needs to attend to this.

Alternatively, the required expenditure can be reduced from 6% to 5% and the compulsory skills development levy increased from 1% to 1.5% or more — either way, a win-win situation.

Another avenue is the fuel price. A reduction in the fuel price seems to be in the pipeline. Instead of reducing the price by, say, 40c per litre, reduce it by 35c and use 5c/l to raise the revenue needed for higher education. This is not a tax increase, a new tax or reallocation

of social grants or expenditure.

We need to stop finding problems for every solution, or believing there is no solution. A lasting solution is both urgently needed and possible. We cannot sit with the same problem every year. It is like chopping off a dog’s tail bit by bit.

Our current approach is not a “positive commitment to progressively eradicate socially constructed barriers to equality and to root out our systematic or institutionalised underprivileged”.

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