

September 10, 2018

The real interpretation of Socio-Economic Development



Economic growth is instrumental in creating prosperity and key to addressing unemployment, wealth and other poverty-related matters. Economic civilisation progresses because of socio-economic and collective development activities.

There is no nation on earth without challenges. The challenges facing countries with developing economies can be staggering and South Africa is no exception. Information on the socio-economic issues faced by South Africa is freely available on the internet, including the challenges we face daily and the problems arising from these issues.

Government has promised 'radical socio-economic transformation' left, right and centre and is encouraging established businesses to contribute towards socio-economic development in the country.

The Broad-Based Black Economic Empowerment (B-BBEE) Codes set a target of 1% of a company's annual net profit after tax to be spent on socio-economic projects. By now this is common knowledge, however, the various initiatives in which a company can assist a beneficiary (individual or entity) are not always in the public domain or not shared widely by those already knowledgeable on the matter.

We are living in an era of modern technology and South Africa requires vast resources to resolve the challenges of socio-economic inequality. The activating ingredient is the ability to innovate and yet we are not educated in the art of innovation. We are stuck on the notion of living in a country with a huge sense of entitlement, yet very few are willing to give back. We nevertheless put all our resources (intellectual and financial) in the proverbial beggar's hands, which merely creates further challenges such as poverty, low levels of education and unemployment, also known as endless stupidity, without empowering people to become self-sustainable.

From now on we should focus on the training and development of individuals and not merely throw money at people or organisations for the sake of earning B-BBEE points on some or other B-BBEE scorecard. There is a time and a place for this as even non-profit companies and organisations have running costs. Ultimately, however, this will not serve a long-term purpose or achieve the objective of socio-economic development. Shouldn't the word **development** be the focus point instead of **socio-economic**? How can our country grow socio-economically if our people are not being properly educated and developed? Based on research, enterprises that have accepted their corporate social responsibilities and actively drive community upliftment projects find it easier to build their brands and penetrate markets.

We as a country need to become actively involved in the training and development of people who are less fortunate than ourselves because charity begins at home. Although our country's socio-economic issues are ethically discretionary, most of our problems can be solved if every person takes just one person under their wing, trains them and invests in them (intellectually, emotionally and/or financially). We should teach them to read, write, knit or bake cookies for sale so that they become economically active rather than empowering them in the short term with cash in hand. Teach them the benefit of proper financial planning, family planning and sexual safety. Teach them the importance of respect and rather spend your company's percentage of profits on training individuals (especially the unemployed) to make the difference our country so desperately needs.

SERR Synergy assists businesses with various solutions such as empowering training for the underprivileged, Socio-Economic Development (SED) beneficiary organisations called EDI and RMS and structured SED programmes for clients in the Construction industry.

About the Author:

Florene is a lawyer specialising in BEE and still passionate about it after 8 and a half years. She obtained an LLB from PU for CHE (North West University) in 2003, holds a Certificate in Advanced Trust Law from CE@UP and is the BEE Manager of our Gauteng Branch.

©*SERR Synergy*, www.serr.co.za