

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	53638.00	▲ 0.65	56000	REISS	R186	8.74	▲ 0.06	R/\$	14.3796	▲ 0.18	Gold PM Fix	1313.15	▼ 0.58	Dow Jones	18421.27	▼ 0.39	
Top 40	46788.30	▲ 0.52	54000	Clos: 53739.50	R207	8.055	▲ 0.00	R/£	18.90795	▲ 0.25	Gold NY	1328.40	▲ 0.09	S&P 500	2164.28	▼ 0.19	
Findi 30	74164.40	▲ 0.09	52000		3-mth NCD spot	33713872	▲ 0.00	R/€	15.8048	▲ 0.15	Brent Future	44.72	▲ 0.07	FTSE 100	6710.13	▼ 0.30	
Resources 20	15273.90	▲ 0.22	50000		R/\$ (6-mth)	5246	▲ 1.37	\$/€	1.09916	▼ 0.02	Platinum PM Fix	1092.20	▲ 0.75	Nikkei 225	16383.04	▼ 1.43	
Goldex	2740.19	▲ 3.96		▲ 0.84%	R/\$ (12-mth)	10414	▲ 0.23	¥/\$	104.694	▼ 1.05	Palladium Spot	689.30	▲ 0.77	Xetra Dax	10 247.6	▲ 0.49	

Mismanaged Setas squander business money

THE July Quarterly Labour Force Survey highlighted unemployment challenges SA faces. The average unemployment rate of young people, which has more than doubled over the past 10 years, has been the topic of many discussions.

Unemployment is also central to discussions about a possible credit and sovereign downgrade of the country, the prospects for economic growth, and other economic permutations.

This burning issue has prompted some political parties to commit to creating jobs at a local level in the run-up to the local elections. Other parties have not bothered to commit to anything, choosing rather to concentrate on populist rhetoric about the redistribution of what they brand as "wealth".

On closer inspection, this amounts to nothing more than further distribution of poverty, where the equality punters are effectively reducing equality to a poverty level, rather than elevating it to a wealth level.

Equality in poverty is a significant feature in countries where dysfunctional socialist policies were in place, the comparison between East and West Germany being but one example.

South African citizens need to be wary of unqualified rhetoric. Terms such as "equality" and "free

trade" are used far too loosely and presented as sweeping answers to all our troubles.

Among these are the calls to amend national policies and relax the rules to allow for more free trade, competitiveness, and entrepreneurial ideas to be implemented. What this does, is shift the focus away from the local level, where much more needs to be done to develop the economy and create jobs.

Passing through small rural towns, you see municipal offices, town halls, police stations and magistrate's courts, all in a more-or-less working order. What is lacking, however, are functional, well-stocked, learner-friendly municipal libraries and professional, well-run training venues.

We need libraries and training venues to encourage a culture of learning and continuous learning.

Education and training should become far more visible, and should form part of our lifestyle and society, especially in rural areas.

If we want to transform our economy and curb unemployment, we have to follow a much more active, visible, and pragmatic approach towards training and educating the youth.

All employers with an annual payroll of more than R500,000 contribute 1% of their monthly



In the face of increasing unemployment and a growing need for workplace training, management of corrupt Setas should be improved to stem the loss of the money companies are obliged to pay, the writer says. Picture: SOWETAN



Gideon Gerber

BEE MATTERS

payroll to Sector Education and Training Authorities (Setas). Companies must appoint skills development facilitators, who facilitate training in the workplace and are responsible for compiling workplace plans and reports and submitting claims to the Setas.

Several Setas are badly managed, as are many

municipalities and state-owned enterprises. Some Setas have been placed under administration due to mismanagement and corruption.

Some have fulfilled their mandates and are rendering a service to businesses, but since their inception 17 years ago, they have mostly been regarded as a burden on businesses and the economy. Too little money has flowed back to businesses to support training efforts. Billions of rand are wasted by the Setas on administrative and bureaucratic functions, mismanagement, and corrupt activities. Their published reports and statistics often create the false impression that they have sound infrastructure in place to promote workplace training.

Considering the billions of rand collected, the effect of their activities on workplace training and skills development is minimal.

Business, labour, and the economy do not get what they pay for, while skills shortages and unemployment are not addressed.

The amended black economic empowerment (BEE) codes have compounded this issue by increasing the cost of skills development for companies with an annual turnover more than R50m to 6% of annual payroll. If the 1% company contribution to the Unemployment Insurance Fund is taken into account, the direct cost already amounts to 8% of payroll — without provident or pension fund and annual workman's compensation contributions.

For SA to transform and gear its economy, we cannot rely on bureaucracy and inflated reports to measure the real outcomes achieved. Increasing the burden on businesses to pay more for skills development without a working system in place is simply throwing increasing amounts of money down a bottomless hole.

■ Gerber is an attorney and the founder and director of Serr Synergy, specialising in BEE structuring and compliance.