

- Enterprise Development's main objective is to create sustainable business enterprises that achieve growth in order **to create jobs** and to **grow the economy**, the two necessary conditions for political stability and low crime rate.
- **SO , HAS IT ACHIEVED IT'S GOAL ?**

# GROWING BUSINESS - HOW DO WE GET THIS RIGHT ?

- A central database for ALL SMME's ?
- Controlled by the SETA Services Authority.
- OR SHOULD THIS BE SOMEONE ELSE ?
- Database to be categorized into various sectors of Industry for easy identification
- Database to be freely available and widely promoted on the Government's and other Municipal Owned Enterprises(MOE's) SMME website
- Link to be set up between these SMME's and Government's and other MOE's Tendering and Procurement
- *Link to be set up between Big business's tendering and procurement processes who should be willing to to sub-contract parts of their work and / or who may wish to acquire specialized services/products.*

# HOW DO WE GET THIS RIGHT ?

- List institutions such as Khula , Development Bank of SA(DBSA) and Business Partners including all Banks—so as to give SMME's better and quicker access to finance
- Examine the various Imports into SA;Explore what manufacturing and employment opportunities lie herein for local production and consumption.
- Set up Industrial Development Zones regionally for development of this sector.
- Explore beneficiation opportunities of our raw material exported.
- A monitoring and evaluation mechanism to be in place to ensure that the required mentoring processes take place .
- *Credits to be offered on BBEE(Broad Based Economic Empowerment,as opposed to BEE only) scorecard to those that support the SMME project.*
- *Mandatory technical skilling for all grade 11 and above school leavers through FTE institutions , which then feeds business and industry with trainees and apprentices..*
- *A 3 year apprenticeship.*
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- *SETA's ensure that each candidate receives a reasonable stipend for this period of learning.*
- *Business and Industry guarantee qualifiers employment .*

Open discussion to floor – 10 min.  
Record highlights.

**“Harnessing Networks, Skills and  
Resources to Achieve Greater  
Productivity.”**

# THE SILVER BULLET ?

- Business being the third partner in the tripartite alliance of government labour and business institution called NEDLAC , needs to state its position on the recent strike actions that have brought essential services such as schools and health to a standstill.
- It is extremely worrying the effect such action has on the economy of South Africa and therefore a new dispensation ,that hopefully will result in a Win- Win- Win situation for all concerned and give us the 6,5-7% growth called for by the Minister of Finance , is required.

# Considering factors

- Government should reconstruct and re-channel its resources more effectively and proportionately.
- No point in saying that “the envelope is not empty but broken, ‘and therefore no further inputs can be given to the offer already tabled i.e. 7.5% and R800.00 housing allowance compared to the initial request of an 8.6% increase and a R1000.00.
- This confrontational approach brought our country virtually to its knees and who were the main sufferers – the poor and the weak, resulting in numerous deaths and increased sufferings, not forgetting the negative effect on the economy.
- Economists predict that this strike cost between R45 and 55bl Rand per month or in the region of up to R1.5bl Rand per day!!!

# THE REALITY

- Labour should acknowledge that between 2001 and 2010 PRODUCTIVITY dropped by two percent per annum whilst LABOUR remuneration increased by nearly 3 per cent.
- It must be understood that PRODUCTIVITY upholds and supports an increase in remuneration.
- If we can maximize our PRODUCTIVITY, there will be no need for any interference in the exchange rate.
- We sometimes have very short memories of when the Rand hit a low of R12.86 in 1997/8 !!!

# Solutions !

- Business calls on Government to look rationally at what its civil servants' take home pay is vs. what Members of Parliament and Entrepreneurs earn as an income.
- The chasm is vast between Rich and Poor !!!  
Between 30 and 80 times more in the case of the former, if all benefits and perks are included.

# SOLUTIONS

- Business calls on LABOUR , whilst the right to strike is enshrined in the Constitution, to honour the rights of others that are willing to work , and condemn the acts of intimidation, violence and mob mindset.

# THE FACT

- The government set itself some very high standards in the six years leading up to our recently concluded and highly successful Soccer World Cup. In retrospect, these successes have now come back to 'bite 'them.
- The Peoples' recent actions reflect 'that if you could have found close onto R45bl in six years without raising income taxes for the upgrading of infrastructure , then surely the workers have a right to a decent take home pay,and the money has to be made available !”

# BEGIN WITH THE END IN MIND

- Government , Labour and Business ,through NEDLAC to redefine the parameters of workers' rights including salaries and benefits , in view of our current status and what has now become an annual or perennial event, referred to as the Strike Season.
- Business welcomes Government's stance that the latest increased offer on pay settlements will be funded by a cost cutting exercise at governmental level rather than by the taxpayer.

# ...THE END IN MIND

- Workers' minimum benefits should be clearly prescribed for all sectors of the SA economy. It is only through such action are you going to manage the future.
- The huge gap between employer benefits and employee benefits in both public and private sectors will have to be looked at carefully with the means to addressing it.
- Pre democracy; it was the norm for businesses to be in business solely to make a profit.
- Post democracy, **That** has changed.

# INTRO-SPECTION !

- Corporate Social Responsibility and Employee Wellness have become the norm - no matter how Big or small a Business is or in what section of Public Service .
- Is not time for Business to consider, as part of the employee package, a mandatory share of profits at the end of each financial year, in addition to the normal annual increase?

# INTROSPECTION

- Government has to undertake that wage determinations are also prescribed and accepted at a level of inflation + a percentage to be determined by all stakeholders at NEDLAC, including that of normal benefits such as travel, medical aid and housing.
- a Performance Bonus (14<sup>th</sup> Cheque) ?

# ROI

- Labour needs to ensure that PRODUCTIVITY rates increase SO THAT that it leads to a growth in profit;
- LABOUR'S right to 'intimidation driven strikes' has to be forsaken.
- This type of Incentivization and Commitment has to bring about an end to the 'strike season and make us a Proud and Productive nation.

# **A 7% GROWTH RATE- CALL BY MIN.OF FINANCE HON PRAVIN GORDHAN**

**This is an Ideal that Cannot stand alone !**

- **Growth comes from Jobs Created**
- **Growth comes from Jobs that are PRODUCTIVE**
- **Service Delivery at all three levels needs to be the highest priority BUT PARTICULARLY MUNICIPAL LEVEL WHERE BADLY NEEDED INFRASTRUCTURE THAT CREATES EMPLOYMENT OPPORTUNITIES FOR MILLIONS STILL LACK.**
- **CORRUPTION ,FRAUD and NEPOTISM needs to be eradicated**
- **WASTEFUL AND UNAUTHORIZED EXPENDITURE BY PUBLIC SERVANTS NEEDS TO BE CHECKED**
- **The cost of doing Business has to be lowered,though it must be borne in mind that the latest survey reveals SA ranked 34 amongst 181 countries iro of setting up a new business – that's not to shabby !!**

# GROWTH RATE FACTORS

- **Business supports the Minister of Defence Lindiwe Sisulu's latest brief to introduce non compulsory conscription into the SADF.**
- **This is a singular measure where Government has taken the lead to draft young school leavers into a programme of up skilling, discipline and development.**
- **This lead should be followed by other leading departments ,to endorse that Government is the single biggest employment creator in the country.**

# GROWTH RATE

- **Imagine the opportunities,if replicated by other like Departments within Government – employment could be halved by 2020.**
- **When all this come together and the Unemployed is turned into the Employed - we will be on a path to sustainable growth.**
- **Business can only be a major employer when Consumer spending reaches sustainable heights.**

**Open Discussion to floor - 10  
minutes**