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AFTER THE BELL

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Specific problems were identified and solutions were proposed to build economic growth

This year, The Gathering focused on solutions, since everyone in SA holds PhD-level credentials in problem identification. Our panel on the economy began with Kasthuri Soni, CEO of the Harambee Youth Employment Accelerator, highlighting the need for providing breakthrough moments for young jobseekers.

She emphasised concentrating on the moment between graduation and finding a way into regular employment. In a declining job market like SA's, crossing that chasm is all the more difficult because companies are reducing their headcount.

It struck me that SA does have several programmes in this field, most prominently the Youth Employment Service (YES). The effort has lots of support. About 1,200 partner companies have created about 50,000 "work experiences".

This is meaningful, but not as consequential as it seems, if you compare it to the 4.8 million people, aged 15 to 34, who are technically unemployed.

I love the work organisations like Harambee is doing, but the hard and depressing truth is that nothing compares to overall economic growth in accelerating youth employment.

I also wonder whether the Expanded Public Works Programme, a state-funded employment system much larger than YES, should not be merged with YES and take over some of YES's aims. Just a thought.

The second point I want to highlight was one made by Michael Jordaan, chair of Bank Zero, which was about size. I should also say it was an absolute pleasure to share the stage



The Gathering: takeaways from the economy panel

Daily Maverick's Tim Cohen, founder of the Purple Group and former head of the SA Post Office Mark Barnes and Kasthuri Soni, chief executive of the Harambee Youth Employment Accelerator at The Gathering on 24 November.
Photo: Felix Dlangamandla

with Jordaan and Mark Barnes, founder of the Purple Group and former head of the SA Post Office. Both are extraordinary business builders. They both have a way of isolating problems and proposing solutions in clear and often funny terms, as, I would imagine, a consequence of their experience.

Jordaan's point was that we are obsessed with grand solutions, but we shouldn't be overly preoccupied with size. Size comes with time, was his advice; it's more important to focus on solving a problem. Once that is achieved, growth comes naturally.

I suspect this is absolutely correct. There is a deceptive power in starting small because it creates tangible momentum and it bakes growth into the enterprise. In some ways, that growth DNA stays with an organ-

isation to the extent that it can become second nature.

Barnes' main point, which he has made before in his own words in his *Business Day* column, was about what he refers to as Local Economic Empowerment, or LEE.

"Instead of paying a basic income grant or other social relief of distress grants (of whatever description), let's use that money to fund local (within walking distance) start-ups exploring diverse economic opportunities" is the essential idea.

What lies behind this is what Barnes describes as the fallacy of believing a nation of dependants can be a sustainable foundation for political power. I cannot say how much I prefer this idea to the government's current plan to spend billions trying to

reproduce SA's private sector health insurance system by taking it into public hands.

Several of the panel members discussed the trust deficit between the public and private sectors. Barnes said the government looks at the private sector with suspicion, and the private sector looks at the government with arrogance. Perhaps.

Personally, I see lots of arrogance coming from the government side too – often much more than the cautious rectitude of business. The bigger problem I suspect is a lack of recognition and a poor grasp of the dynamics, faculties and difficulties on both sides. Either way, that doesn't seem like an insurmountable problem, but clearly it is, as the low and declining business confidence index demonstrates. **DM168**