

Alternatives to funding education fees



Inequality and poverty are at this point in time at the centre of the student rebellion in our country.

Perhaps the most important observation in the context of the student dilemma is that only by means of a *“positive commitment progressively to eliminate socially constructed obstacles to parity and to root out systematic under-privilege”* can the constitutional ideal of social parity and equal benefits be attained.

Broad-based black economic empowerment (**B-BBEE or BEE**) is meant to be instrumental in this sense. Its purpose is to bring about broad economic participation and inclusion by eradicating systemic inequalities. Training and education serve as the most influential tool to improve inequality and poverty.

Higher education costs in South Africa is too expensive for middle class and poor families, especially in our current economic environment. This subject of high tertiary education costs is not something that started yesterday, but rather the culmination of a variety of factors over a period of time. In less than a year we have experienced three incidents of damage and disturbance to the very instrument we urgently require to address poverty and inequality.

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Tax increases

Some observers recommend that in order to raise revenue to address this problem, we will have to increase taxes or introduce new taxes, such as a corporate or wealth tax. Whatever we do, will leave a gap somewhere else. The ministry, in its wisdom, has said there is no such thing as “free education”, as someone ends up paying for it after all. However, this is already widely practised in respect of an array of services, such as free basic education for the majority of government schools and exemption from rates and taxes for low-value properties, etc.

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Skills Development and BEE points

Of course there are ways of raising revenue without increasing taxes or leaving gaps somewhere else. In terms of the amended BEE Codes, entities must spend 3% or 6% of their annual payroll (depending on business category) on the training of black individuals. Companies can earn maximum *skills development* points if they spend the required percentage of their annual payroll on *SETA-accredited training initiatives* such as learnerships or apprenticeships. These BEE money to be spent can be utilized to fund tertiary education.

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