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INSIDE PARLIAMENT

Job creation ideas start pouring in

As the presidential jobs summit approaches, discussion papers are flowing thick and fast from political parties and interest groups outlining how they believe unemployment should be tackled.

But these papers all come from such divergent policy positions that it is difficult to see how they could all be used to inform, and not confuse, those who plough through them all.

The last few weeks, for example, have seen the ANC releasing a wordy document which insists that: "In the overall, the kind of state that the national liberation movement is building is one in which the democratic forces have the capacity decisively to use state instruments for purposes of social transformation."

In other words, the state has a central role to play in transforming the economy to meet the needs of all its people.

The Democratic Party, on the other hand, has issued a paper calling for minimum government intervention in things such as small business development while allowing the private sector and non-governmental organisations to get on with it.

They probably both have a point. The difficulty lies in ensuring a balance between the two approaches, and making that balance work.

The two parties can be expected to debate their differing ap-

proaches with some vigour today when the portfolio committee on health starts its public hearings on the highly contentious bill banning tobacco advertising and smoking in public places. To some this is government meddling of the worst and most inappropriate kind, while others would endorse it heartily, and not for political reasons only.

The portfolio committee on finance will consider another form of "meddling" — the establishment of a national treasury that will prescribe to departments and parastatals how to run their financial affairs. Again, one can see the merits of the move at one level — uniform standards and accountability — but this potential loss of independence has got some parastatals all worked-up and they can be expected to present their case quite strongly.

Transnet, for example, has warned that plans to apply the State Treasury Bill to parastatals could affect its privatisation and ability to attract equity partners.

But one area where government intervention is quite universally accepted as being important is setting the right fiscal regimes to attract investment. Ironically, this is one area where governments are sometimes not as vigorous as they should be. The importance of attractive in-



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vestment climates was stressed again and again at the Africa Upstream conference in Cape Town last week. The array of incentives on offer in some African countries was mouthwatering for South African delegates, who still have to convince the finance department of the need for more, and more targeted, incentives.

Other bills of interest due to be considered include the Insider Trading Bill and the Conversion of Sasria Bill. The latter, which aims to convert the SA Special Risks Insurance Association into a state-owned firm, has been strongly opposed by the insurance industry.

Sasria, which has assets worth R9,6 billion, is a uniquely South African body established under apartheid to provide short-term insurance for financial losses caused by political acts, although this was later extended to cover non-political losses as well.

The government says it does not want to continue functioning as an underwriter of last resort for Sasria with unlimited liabilities. It wants to conduct an actuarial assessment of its substantial current assets versus its liabilities, with any surplus being used to pay off debts while Sasria itself is privatised.

TREFWOORDE

1 Business Rep.

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