'We spent a lot of time in those early years finding the synergy between all those industries, but that's what made us strong.'
The Services Seta contributes some 25% of GDP and is worth approximately US$91 million a year. According to Blumenthal, Setas are cumulatively worth close to US$520 million a year. But despite these healthy figures, he does have concerns for the future of Setas in general.

registered apprentices this year, 11 000 originate from our sector. The Services Seta contributes some 25%, of GDP and is worth approximately US$91 million a year. According to Blumenthal, Setas are cumulatively worth close to US$520 million a year. But despite these healthy figures, he does have concerns for the future of Setas in general.

Every five years, the Seta landscape is reviewed. At the moment, Setas report to the Minister of Labour but that is soon to change and they will be answering to the Minister of Higher Education and Training. This is going to present some problems. Blumenthal believes, as these two departments have never gotten along.

They’ve not been on good terms irrespective of what anyone says. This discord is the reason why, if you have an occupational qualification from a Seta, you can’t get into a university or college to progress up the academic ladder unless you repeat that same qualification in the academic context,” Blumenthal explains.

‘Putting education and the Setas in the same department could mean that universities and public institutions who do not want to acknowledge the hundreds of thousands of occupational qualifications driven by the Setas, will now have to talk to business and trade unions on an equal footing.”

Whatever the reason behind the switch-over, Blumenthal does concede that if the motivation is truly meant to develop an equal relationship between the world of work and the world of education he sees huge opportunities in the future.

But there is one serious dispute that will affect the future of the Setas, and that concerns grant entitlement. The advantage to member companies in linking to a Seta is that they are entitled to a paycheck. The first is a mandatory grant, being a percentage that is paid back to a company for training their existing workforce. The second is through a discretionary grant whereby the Seta funds unemployed people who are being trained and paid for future employment.

‘The entitlement, therefore, is for employers to play an active role in the Setas, but there is a lack of doing away with the mandatory grant and increasing the discretionary grant amount that Setas have to work with and that is a real problem,” explains Blumenthal.

‘These people who are currently passing legislation and debating regulatory change, don’t understand that our mandatory grant vehicle is what gets Setas into the door of the average employer. They are making arbitrary unilateral decisions with no consultation with employers and labour in general. If employers shut their doors because there is no longer an incentive to them, you will see fewer people in learnerships and fewer people employed, especially during this economic downturn, it’s suicidal to even contemplate taking away the mandatory grant at this time.

‘The fact is that Setas work – our Seta, for one – is working, but collectively, all the Setas are far more successful at fulfilling their mandates and achieving their targets than any other government structure in this country. Blumenthal is hopeful, but not convinced, that government will eventually give Setas the recognition they deserve.

‘We do not spend money trying to curry favour with politicians, government or the media. Because of that we are sometimes taken to task and heavily criticised, which is suggestive of small business not being taken seriously.’

Despite the negatives and as far as the future is concerned, for now anyway, the Services Seta continues with business as usual. It has already met its 2010 targets which is evidenced by the impact it has had on civil society.

Blumenthal stresses that no matter what, the Services Seta will not rest on its laurels: ‘We take our direction from our social partners who govern us. When the reformation under the new minister is finalised, we will determine a new strategy and policy to ensure that we continue to serve this country.’

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