Editorial Comments

This edition of the International Journal of Business & Economic Development (IJBED) contains fourteen scholarly articles conforming to the principal objective of the journal, namely the dissemination of knowledge both applied and theoretical. There is a stimulating mix of papers that explore issues of local import as well of global relevance. The findings of a number of papers are significant not only for academics and professionals, but also for policy makers and those responsible for local and national strategy. The editorial board is grateful to the contributors for making IJBED the platform by which they have chosen to put their research into the public arena, and trusts that they will use their good offices to ensure that others do the same.

The opening article addresses the important topic of the Human Development Index (HDI), but rather than taking the tried and tested route of examining HDI at a national level, chooses instead to examine HDI in regard to the 92 counties that make up the State of Indiana, USA. Whilst there is a general appreciation that disparities exist across states, there is a dearth of local data that enables academics and others to identify where greatest need lies and equally where progress appears to be made. “The Human Development Index of Indiana Counties – An Exploratory Study” seeks to address this whilst acknowledging that even at county and state level there are limitations. The authors Devaraj et al have take the standard HDI trinity of health, education and standard of living using the model formulated by Anand & Sen (1993), whilst endeavouring to factor in some additional indicators to bring added value to this study. Not surprisingly, they have found regional variations in regard to life expectancy and that “counties with big universities and rich suburban counties have highest HDI.” In order to give added weight to the research as well as examining counties it was decided to cluster these into regions, something which will prove useful to local governments and those wishing to target assistance and funding. By acknowledging that their findings are far from conclusive the authors have opened the door for further research and analysis, whilst also providing a possible template for studies into the remaining 49 US states. Budgetary constraints both at a local and federal level make the findings all the more relevant, especially as targeted investment could possibly yield more effective returns on tax dollars. The recent economic crisis throws this study into sharp relief and raises questions about how data elicited from the Bureau of Economic Analysis (BEA) and the US Census’s Quarterly Workforce Indicators (QWI) for the year 2010 might look now. Their analysis shows an appreciation of the limitations that are inevitable in a research that by its very nature has to define counties as “metro and non-metro counties”, that said, it elucidates some interesting findings that deserve to be examined further and in some way others in the US and further afield could learn much from the reasoning behind as well as the methodology of this study. Inequality of opportunity is a vexed topic, one that is likely to exercise academics, commentators and policy makers for years to come. The issues raised here are ones that demand attention, and thus this paper makes a valuable contribution to academic research in this area.

The next paper in this edition: Corporate social responsibility in the South African mining industry: necessity, conformity or convenience? by Diale investigates, as the title indicates, a controversial area of research – the existence, impact and reasoning behind CSR in the Extractives Industry in South Africa. The mining sector in Sub-Saharan Africa and further afield is not without its detractors and it is evident that there is more than a suspicion that CSR
is being used by some as a form of window dressing. The activities of multi-national mining companies from the plans of Gabriel Resources with regards to gold mining at Rosa Montana in Romania to GCM Resources proposed open-cast coal mining at Phulbani in Bangladesh draw criticism and thus mining is very much in the spotlight, especially with it comes to the question of ethics and transparency. The author in elucidating the local context in regards to mining in South Africa not only reminds the reader that the shadows of the colonial and Apartheid eras still loom, but also goes a long way to explaining why companies might wish to improve their image.

Such is the pivotal nature of the mining sector that in highlighting the fact that it generates over 50% of foreign exchange goes some way to explaining the potential influence mining companies such as Anglo American and De Beers might have with national and local authorities. Recent troubles concerning the Lonmin owned Marikana mine near Rustenberg and the response of the authorities further underscores the point. Whilst this paper makes clear that some attempts have been made to improve matters, with the Mining Charter (2002) and subsequent reports and legislation making some improvements disparities exist and thus it would appear that CSR or Corporate Social Investment (CSI) as it is generally known in South Africa appears superficial. A particularly pertinent point that is well made by this paper is the fact that for all the talk of CSR there still appears to be lack of a firm definition or agreement of precisely what constitutes CSR. Therein lies a danger, different stakeholders view CSR/CSI differently and thus when it comes to strictures from central government there is every chance that companies will abide by the letter and not the spirit of the law.

It would appear that Black Economic Empowerment (BEE) has made few inroads with regards to ownership, leadership and management within the Extractives Industry and consequently the author is downcast about the degree of commitment and progress made to date. Tokenism and intransigence appear to be dogging progress, whilst the author acknowledges that some progress has been made. The voice of workers, from South Africa and migrant workers from neighbouring countries still is yet to be heard and thus in Diale’s intention to examine a specific mine and its culture and commitment there is some fascinating future research in the making.

The theme of the third article focuses on the impact of the global financial crisis on one of the Gulf Cooperation Countries – namely Kuwait. Titled: “The impact of the global financial crisis on marketing financial services by Kuwaiti Islamic and Conventional Banks analytical study” by Al-Ethawi et al provides a useful insight into the ramifications of financial tribulations elsewhere. In exploring the impact and lessons of the seismic events in the financial market and the economic downturn that affected much of the world, there is much that can be learnt from a case study such as this. Already Islamic financial services were well established and whilst in some ways more conservative that conventional banks it is clear that this helped provide a degree of firewalling during the global economic crisis that began in 2008. With oil revenues and the banking sector being central pillars of the Kuwaiti economy this study raises interesting questions about how well prepared the banking sector was for the market volatility that it ensured and how it should readjust to restore confidence and return to growth. This paper makes clear that whilst the key economic turmoil began elsewhere, Kuwait was far from immune, with its oil revenues being particularly badly affected. By examining key indices related to conventional and Islamic banking the authors have made a strong case for further recalibration and have thus managed to shed light on the fundamental differences in performance between conventional and Islamic banking.

Whilst Islamic banking is shown to be not without risk a clear finding is the need for far greater diversification “by giving more focus to profit-loss- sharing financing instruments like
Mudaraba and Musharaka.” Such diversification is not only key to reducing risk, it is also important if Islamic Banking is remain true to its ethic and religious credo. The authors prognosis appears encouraging at least for the short to medium term, that said, one aspect of this paper that could well have benefitted from some additional elaboration is in regard to marketing services, especially as this is that will be central to continued success vis-a-vis Conventional Banks. Whilst the paper makes clear that greater cognizance needs to be taken of stakeholders by both Conventional and Islamic Banks it is worth noting that the Kuwait Finance House (KFH) has recently been awarded Best Islamic Bank in Kuwait by Euromoney magazine for the second consecutive year. This award comes in recognition of the bank’s contributions to the Islamic banking and financing market, and underscores the bank’s leading status in Islamic banking. The achievements made by Islamic banking highlight the success of the Kuwaiti private sector, and appear to indicate that such banks have not only weather the storm, but have emerged in remarkably good shape.

With the next paper we move from ethical banking to; **Ethical Issues in Short-Term Insurance Industry**, in this case in Zimbabwe. Opening with its powerful introduction, the paper make clear from the outset that trust, or rather loss of trust is a central issue currently undermining the insurance industry in Zimbabwe. Whilst there are certain elements that universal in their relevance, such as tailoring the products to meet the needs of clients, this empirical study makes clear that problems in Zimbabwe have been exacerbated by local conditions. Currency weakness, hyperinflationary pressures and the introduction of a multi-currency regime have all contributed to a climate of mistrust. The arbitrary cancellation of policy cover along with perennial complaints about claims processing have helped shape a negative mindset, one that views insurance companies with considerable suspicion, or often downright hostility. In the minds of many in Zimbabwe the Insurance Industry are little short of crooks.

Mazviona’s cogent analysis of the insurance market across the continent of Africa highlights the fact that there is generally low insurance penetration. The point is also made that; “There is a direct relationship between economic activities and the demand for insurance products.” The situation is such in Zimbabwe that overtime a very sizeable percentage of economic activity operates in the informal sector, a fact that is often a feature of economies enduring the stress and privations of hyper inflation periods. This important study also highlights the absence of current and reliable data, something that presents a challenge to academics, policy makers and economists alike. With questions surrounding the ethic underpinnings of the local insurance industry, growth has been minimal and thus there has been added caution around the payment of claims, a factor that has further eroded trust. This paper underscores a number of perennial concerns that insurance companies the world over need to address with a greater degree of urgency and purpose; namely communication with clients, prompt processing of claims and an excess of clauses and small print that are perceived as being deliberately designed to thwart legitimate claims. Whilst the economic and political vicissitudes that have been such a feature of Zimbabwe in recent decades have clearly made matters worse, this study reminds the reader that these weaknesses in the insurance industry are universal. Robust regulatory frameworks that are fit for purpose are essential if trust is to be restored and insurance to be seen as an important adjunct to modern life.

The next paper, the fifth in this edition “**Financial reporting framework in Nigeria and the adoption of the international financial reporting standards**” by Okoye and Akenbor shed light on one of the significant effects of increased globalization, namely the need for standardised accounting processes and procedures. Nigeria, as the economic powerhouse of West Africa and with the largest population in the continent has traditionally relied on a large amount of Foreign Direct Investment (FDI). Yet whilst aspects of the economy are undergoing
expansion and transformation at present the paper makes clear that in recent years there has been a decline in FDI into Nigeria. Some of this diminution can be explained away by the lack of liquidity in global financial markets since the financial crisis of 2008 this research reminds the reader that there are other reasons, especially the dearth of credible financial data and the consequent perceived risk. Nigeria in common with most if not all of its Africa compatriots often falls victim to confirmation bias, a factor that dogs many developing countries whether they be rapidly developing or not.

This paper makes clear that moves have been afoot both locally and internationally to bring about greater standardisation in financial reporting and accounting practices. The adoption of General Accepted Accounting Principles (GAAP) and a gradual acceptance of the International Financial Reporting Standard (IFRS) are symptomatic of global interdependence. “A move towards a single set of global accounting standards is expected to lead to greater efficiency and internal control improvements for multinational companies.” – this may well be the aspiration, but it soon becomes evident that such standardisation is not without its teething problems. Nigeria in common with other economies has had to wrestle with inertia, weak capacity and occasionally inadequate legal and regulatory frameworks to cope with the changes that are required. The trinity of the qualitative characteristics of financial statements: Understandability, Relevance and Reliability are a tall order in anybody’s books. Progress whilst fitful is being made and as a consequence a gradual reappraisal of attitudes is underway. In common with other areas of business communication is highlighted as being of paramount importance. This study places particular emphasis on the need for a realistic timeline for implementation and concludes by advocating adapting to the IFRS rather than merely adopting the IFRS.

The sixth article The impact of augmentation wages public based on the purchasing power of households in Algeria by Rouask et al tackles an issue that is of paramount importance to most households. Margaret Thatcher, the British Prime Minister from 1979–1990 family used a shopping basket of goods to illustrate and explain the fundamentals of economics, and it is at this level that there is a real opportunity to appreciate the affects of national and international policies. This paper chooses to focus on a thirty year period, one during which there have been periods of economic realignment as well as harsh inflationary pressured coupled with stagnant economic growth and static wages. Purchasing power is a primary consideration of the majority of Algerian families and thus it is important to gain insight into the variables that impact on policy formulation, implementation and ultimately the response of citizens. Each nation has its own dynamic and it is clear that Algeria is no exception. In December 2011 the International Monetary Fund (IMF) observed that; “To cope with social demands, the authorities raised expenditure, especially on basic food support, employment creation, support for SMEs, and higher salaries.” – an action driven by increased public dissatisfaction as well as regional and international events. This paper provides a valuable insight into local conditions and benefits greatly from having applied a Co-integration Test.

The issue take up in the seventh paper by Imegi also explores inflationary pressures and is entitled: Budget Deficits and Inflationary Dynamics in Nigeria with again the actions of the national government being at the heart of the study, with particular reference to the attempts to control the budget deficit. With the economist Jim O’Neill having included Nigeria as one of those economies that shows great promise (he refers to the MINTs (Mexico, Indonesia, Nigeria and Turkey) any fundamental weaknesses or underlying areas of concern are of paramount importance as they will surely impact on the degree of progress made as well as the time frame of any sustained economic growth. This paper examines a period over just over a decade that
largely preceded the international global crisis that commenced in 2008. In seeking to discover whether there is a correlation between budget deficits and inflationary pressures Imegi reminds us that appropriate and objective research tools are essential if any meaningful findings are to be elicited. Drawing on official data from the likes of the Central Bank of Nigeria, the Federal Office for Statistics and the Nigerian Stock Exchange provides its own limitations. Various governments traditionally endeavour to downplay the headline inflation figure as this often causes discomfort at home and disquiet on international markets. The massaging and manipulation of official figures is often a moot point, something that was recently highlighted by the recent censure of Argentina over its doctoring of official statistics. For all the limitations the R-Square value applied to the data collected as part of this paper has provided convincing proof that the budget deficit in the Nigerian context is the main cause of inflation, an R-Square value of 0.821 is certainly conclusive. Furthermore the findings of this paper go some way to highlighting some of the weaknesses of the Nigerian economy, especially in regard to a limited local manufacturing base and an over-reliance on imports.

The next paper also relates to another of the so-called MINTs, namely Mexico. **Public policy as a determinant for attracting foreign direct investment in Mexico since 2000 – 2013 by Botello and Delgado** also manages to elucidate the relationship between public policy and international investment. In this era of globalisation countries the world over are competing to make themselves attractive to Foreign Direct Investment (FDI). The author chose to focus on FDI in Mexico from 2000 – 2013 with particular reference to sectors and individual Mexican regions. There is a burgeoning amount of material that makes clear that certain factors are especially important in order to attract and hold high levels of FDI. Kinoshita (2003) makes clear that government institutions are key, with impartial legal systems and non-political bureaucracies central to success. For corporate looking to invest in countries such as Mexico a number of other factors are evidently at the forefront of thinking, these include access to a pool of skilled workers, location and logistics and local environments that are sensitive and pragmatic enough to plan to address the needs and requirements of such investors. The findings of this paper not only identify that the region of Nuevo Leon has proved particularly attractive to foreign investors (largely from the USA), but that it attracts investment from an array of sectors.

Hypothesis 1 takes as its focus an array that is often overlooked, that of the degree of skill available within the local workforce. The finding speak volumes of the fact that regional administrations have attuned their development plans accordingly and have sought to establish centres of excellence, with the aerospace industry being one that has proved particularly successful. Whilst there is a reasonable degree of autonomy within the regions of Mexico, each places particular emphasis on infrastructure, the skill sets of the workforce, whilst endeavouring to create an environment that is reasonably deregulated and conscious of keeping workers wages competitive and cost effective. With the study having found that manufacturing captured by far the lion’s share of FDI, each state must work hard to hold on to such investment, especially in an age where corporations appear to shop around for the locations that continue to offer the right blend. Public policy thus far has been shown to be willing to accommodate the requirements of external investors and thus if this continues to be the case. This paper reinforces an increasing quantity of positive data and reports that have seen the likes of the World Bank and Goldman Sachs predicting that Mexico will be ranked 8th in the world by GDP in 2050.

The spirit of the ninth paper **Managerial competency in government owned organizations: a comparative analysis of gender differences in Nigeria by Arugu** is one that exudes a sincere desire to discover tangible evidence that can affect positive management decisions. The authors rightly acknowledge from the outset that the topic of gender rarely fails to elicit a response and thus they are aware of the importance of seeking to factor in a research
framework and methodology designed to temper and mitigate such a reaction. Certain stereotypical assumptions concerning ‘feminine traits’ are unavoidable and thus rather than side stepping or ignoring these, they decide to both acknowledge these and confront them from the outset, by laying them out for all to see. Questions around the operation of power are integral to managerial activity and thus it comes of little surprise that there is a desire to seek to explore the issue of whether women in managerial roles are less fixated by control and power than their male counterparts. With the presiding patriarchy dominating in culture and society it is assumed that structures favour males and thus women are automatically placed at a disadvantage. The study wisely frames the questions in its hypothesis in such a manner as to begin from a position of presumed neutrality, although conditioning will inevitably mean that certain ways of thinking when it comes to norms of management operation have a male bias, whether overtly or otherwise. Ultimately this research sets itself on a journey to discover what makes for affective management, something that is not only important in Port Harcourt and its environs, but universally.

Whilst it has to be acknowledged that a preponderance of males in senior roles featured in the analysis the application of the Analysis of Variance (ANOVA) was used and there appears to have been a conscious effort made to be objective and fair. The authors seemed genuinely taken aback that the vast majority of their finding indicated that men in a managerial roles outperformed men, with males in problem solving showing particularly strongly. The findings whilst not exactly a revelation probably leave us with rather more questions that they provide answer. Some might feel that the conclusions drawn in regard to aspiring to reduce discrimination were rather thin on practical suggestions as to how this could be achieved in a management context. External factors, media stereotypes, practical limitations concerning child care, as well as role models and societal norms could all play their part, but maybe the authors were wise enough to recognise that what they had elucidated was but a fraction of by far a larger field of research.

The tenth article: A study on Saudi Arabian retail dynamics, its potential future and challenges by Rahman investigates another area of human endeavour that is equally fascinating. Whilst most academics agree that the retail sector is perpetually in a state of flux the acknowledgement by the author that there is currently a; “collision of the virtual and physical worlds” reminds the reader that a veritable revolution is underway, one that will affect the Kingdom of Saudi Arabia just as it is the likes of the US, UK and China. The language used is such that there is a clear appreciation of the fact that no retail enterprise can afford to ignore changing tastes, trends or expectations, for if they do so they run the; “risk of becoming irrelevant”. No retailer wishes to slip into the quiet backwaters for obsolescence and ruin will surely be their ultimate fate.

In any study of the retail sector there is always an element of seeking to make calculated judgements about how the market will be in 6 months, 12 month ahead and beyond. This study makes as well as examining local context and key players endeavours to extrapolate in regard to projected changes in demographics in conjunction with analysis of the Gross Leasable Area (GLA). Macro and micro economic policies are all likely to play their part and thus the author rightly takes a keen interest in issues such as financial policies and corporate governance. Whilst Saudi Arabia managed to remain largely immune to the economic vicissitudes of recent years the study makes clear that local unemployment remains stubbornly high, with the official figure being 15%. Rahman believes that the retail sector is well placed to help reduce that figure, although in regard to certain major urban centres there is no mention of the fact that Saudi Arabia has since the oil boom years been over reliant on employing foreigner workers to engage in many tasks, often in the retail sector. No academic paper appertaining to Saudi Arabia can
afford to ignore certain unique local conditions, namely in regard to the country holding a
special place for followers of Islam and thus a place of tourism and pilgrimage. Whilst some
elements may remain constant, in the retail world mergers and market realignment are
inevitable and the study of the sector makes clear that when it comes to corporate governance
further progress is certainly desirable, although by no means guaranteed.

The next paper also chooses to examine a particular sector in Saudi Arabia, one that has
equal relevance and thus has considerable synergy with its predecessor. Private and public
healthcare in Saudi Arabia: future challenges by Yusuf reminds the reader of the significant
progress that has been possible thanks to the advent of vast oil revenues. The establishment of a
nationwide system of publically funded healthcare has resulted in significant progress in
regards to longevity and declining mortality rates, although as a consequence in common with
many other countries Saudi Arabia now faces rapid population growth, both with a high birth
rate and the demands of an aging population. The author makes clear that whilst considerable
progress has been made; “Healthcare facilities are struggling to match the burgeoning
population” and as a consequence the Saudi Government has sought to burden share by
encouraging and nurturing private sector provision. The challenges being faced mirror those
faced elsewhere with the cost of ‘progress’ being increased obesity and diabetes amongst a raft
of other medical conditions. Liberalisation and the move to a more open and market driven
economy provides part of the solution, but for all the success to date Yusuf’s paper highlights a
number of weaknesses that are not easily solved in either the public or the private sector. The
haemorrhaging of local medical staff to Western nations is particularly telling, as this drains
resources as well as undermining the Saudization of the healthcare sector. Currently there is
something of a trend for staff to leave after a few years; “to take advantage of more stable
opportunities and training facilities” and as a consequence hospitals and clinics have little or no
choice but to higher foreign staff to fill the capacity and skill shortage. This cogent analysis of
healthcare provision in Saudi Arabia reminds the reader that this issue will continue
to exercise governments and policy makers the world over, something that has become apparent
with the heated debate surrounding Obama Care in the US and the constant reforms and
political grandstanding concerning the National Health Service in the UK.

The ability to provide national health care systems and other services are dependent
upon political stability and the relevant structures that such stability is conducive to. The next
paper: The challenges of democratic survival in Nigeria between 1999 and 2011 by Abutu
examines an issue that is of paramount importance to Nigerians, but is pertinent to regional
stability as well as of interest to a multiplicity of agencies ranging from the Commonwealth and
ECOWAS to OPEC and ECOMOG. As Nigeria enters its 100th year as a political entity these
paper has much to say in terms of local context and the dynamic that continues to frustrate
internal harmony. The legacy of colonial boundaries, a veritable patchwork quilt of ethnic
groups, allegiances and claims all provide for a lively and at times near inflammable mix that tax
Federal and local leaders. Tribal and religious conflict has ensured that Nigeria remains a land
of promise and paradox, a powerhouse and simultaneously a potential powder keg that
continues to witness tensions and periodic bouts of intense violence. Abutu makes clear that the
country faces a raft of seemingly intractable challenges that in normal times would cause serious
internal dissension, but things are exacerbated by the fact that in elections the general; “Lack of
acceptance of defeat by electoral contestants at the poll is one great challenge to Nigeria’s
democracy. Add to this the issue of debt and inflationary pressures, subjects explored in an
earlier paper it soon becomes clear that the role of Federal President is one that demands
tremendous skill, forbearance and a degree of good fortune.
This paper elucidates the challenging paper further by examining the thorny and highly controversial issue of the; “sudden removal of oil subsidy on the Premium Motor Spirit (PMS)” on 1st January 2012. It makes clear that successive governments have made valiant efforts to tackle underlying political and economic problems with varying degrees of success. Using a skilful blend of skilful analysis and candour the author navigates the reader through a veritable quagmire of events and local dynamics that continue to challenge Nigerians and foreign scholars alike. Whilst some of the finding make gloomy reading the recommendations made demonstrate real insight and a desire for an equitable and lasting solution to some extremely complex and knotty problems. The continuation and survival of any democracy is always a work in progress.

The penultimate paper An Assessment of Agribusiness Tax Incentives in Nigeria by Oghoghomeh gives voice to an issue that is pertinent to developed and developing economies alike. The precarious and perilous nature of agriculture and attendant industries raises questions as to whether the policy makers and the urban elite truly understand the factors that are instrumental in success or failure. This paper places particular emphasis on the value to be gained from support for the regions, especially as agribusinesses invariably provide a spur for economic growth as well as helping to employment opportunities and thus in turn help stem the tide of migration to urban centres. Tax incentives are seen by many as a cushion against the perceived and inherent risk that is so much a feature of agribusinesses and whilst an array of nations employ such incentives various analysis have observed that the efficacy of such incentives can be often be shaped by; “the quality of the civil servants and the efficiency of public bureaucracy”. The Inland Revenue is understandably anxious to ensure that clear parameters are in place and Oghoghomeh makes clear that for incentives to work effectively there has to be clarity and an ability to collate findings that reassure the relevant tax authorities that the tax payers are getting value for money. The cyclical nature of agriculture and the frequent shortage of funds at given moments in the agricultural year often act as a disincentive for people to stay in the sector and as a consequence food production, both for local consumption and potentially for export is undermined. The fact that Nigeria is the most populous nation in Africa must not be ignored and a raft of indicators make clear that the demand for food is set to rise for the foreseeable future. Whilst funds are in short supply and tax incentives a possible means to stimulate and support continued activity the author does make clear that there are examples of success stories where agribusiness has adapted to meet consumer demand and expectations e.g. as in the case of the production of broiler chickens. The points about infrastructure and transportation are particularly well made and further strengthen the case for additional support from the Federal Government.

The final paper of this edition; Effects of cost and benefit in regularising business procedures in Gauteng: the SMEs paradox - South Africa by Chiloane-Tsoka and Rasivhetshhele makes a significant contribution in regard to the understanding of the challenges faced by small businesses today. This study begins by explaining the reasoning behind choosing Gauteng Province as an area of study, the logic certainly appears to be compelling with Gauteng being the economic dynamo of South Africa, whilst it may only occupy 1.4% of the country’s landmass it currently creates 35.6% of South Africa’s GDP and it has been estimated to generate 10% of the GDP for the entire continent. Much of this activity comes from small, often family owned enterprises, the sort of companies who whilst they are successful at what they do often have little time or resources to cushion them against the harsh realities of economic change and edicts and strictures of government. Few of these SMEs have enjoyed access to much formal education, certainly in regard to entrepreneurial activity, most has been of a heuristic nature and thus that they are not well placed to handle changes in regulatory frameworks or accessing the
relevant information that explain entitlements and responsibilities. South Africa’s SME sector still lies labour under the legacy of the Apartheid era and thus as this study makes clear changes in legislation pertaining to business often disproportionately negatively affect those least well equipped in terms of training and formal business education. The paper makes a particularly pertinent point in regards to communication, public awareness and training. Registration thresholds are deemed too high and a familiar refrain in regards to small business is that concerning the burden of red tape. The author concludes that legislation that is intended to improve standards of compliance and governance could well have the unintended consequence of threatening to put out of business those very enterprises on which the country and especially the Gauteng is so dependent.

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