

Nzimande proposes sociology for bankers

Higher Education and Training Minister Blade Nzimande says bankers need to be taught course such as sociology in order to develop a social consciousness about the effects of lending.



(Image: GCIS)

"We need to train banks with a social conscience," Nzimande said yesterday in a speech at a banking sector education and training authority (Bankseta) conference.

He said he was concerned some credit providers were violating the National Credit Act by aggressively offering financial products through cellphones. He also expressed concern at the increase in unsecured lending in SA and that much credit was used to fuel consumption rather than for productive ends.

Unsecured lending in SA has risen rapidly, leading to concerns consumers are over-indebted which then prompted employees to demand higher wages.

Excluding credit cards and overdrafts, unsecured lending in SA accounts for 9.6% of all lending - or a total R1.36tr according to the National Credit Regulator.

However, Nzimande commended the banking sector for employing more black people. He said Bankseta needed to play a greater role in training to prepare blacks for managerial roles.

One of the few working properly

Bankseta is among the few sector education and training authorities credited for being solvent and well run. This year it received an unqualified audit from the auditor-general for the 12th successive year.

Bankseta CEO Max Makhubalo said the body offered a few opportunities for bank employees to attend financial courses abroad, which prepared them for senior roles in SA's banking sector.

Makhubalo also said that the University of Fort Hare offered a course in financial markets thanks to Bankseta. However, he said further training opportunities had to be offered, especially in investment banking, as SA was not producing the skills to match what was required by the fast-growing industry.

Nzimande also took a swipe at ratings agencies, saying that they were not consistent in the manner in which countries and institutions were rated. He questioned how ratings agencies had given top ratings to some international banks just before the 2008-09 global financial crisis.

Source: *Business Day* via I-Net Bridge

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