

Employment Equity v Broad Based Black Economic Empowerment: Reflecting if SA Inc. could have been different if we prioritized it differently?

By Nerine Kahn, CEO at Employment Relations Exchange

Employment Equity Vs Broad Based Black Economic Empowerment: Reflecting on it and could South Africa Inc. have been different

When the CEE released their 2016 report, and as I was walking across the road that day I saw a billboard headline on media boards saying: "JSE companies to be fined for BEE failures", a disquiet that I have had for many years came back to me....

Since I knew the CEE had issued its 17th annual report the day before, I immediately said to myself: "When I was the chief director for labour relations* in the Department of Labour (2001-2006) and the BEE Act and codes were being drafted and refined, I was a lone voice when I raised that Employment Equity would be totally overshadowed by the BEE process and codes as they were being designed and that BEE should be dealt with differently-with the focus rather on Employment Equity. It would benefit so many more people. (In fact, I eventually went to NEDLAC as government to make my submission, as there was no appetite to hear my views by DTI.) That headline confirmed for me some of my concerns at the time."

And therein lies the rub...

My motivation being that I strongly believed that BEE would only benefit a few, that its focus would be enrichment (as opposed to empowerment) of a few, and the general hard working Siphos Sixpack of South Africa would be overlooked and not benefit nearly as quickly, or as adequately as needed in South Africa with an enrichment approach, as opposed to an educative and development strategy.

In other words, that this would further fuel the individual aspirations of those with access to benefits for self-enrichment, with so much less focus on education, training and developing of our people to create a sufficient talent pool to drive our economy and advance every South African in the rainbow. That the drive for BEE would overshadow a deep, slow (hard and difficult) process of growing a talent pipeline for South Africa Inc.

Please don't get me wrong we also needed BBEE, but we needed a stronger much more committed approach to EE.

So when I saw the headline recently, it reminded me yet again, about what I have said many times over the last 17 years. In the public psych BEE and EE are confused, and in many ways re-affirms my concerns that I raised many years ago, and that the need for threats and the slow progress are showing that the implementation of EE in South Africa was side-lined for the initial triumphant pursuit of BEE.

This BEE -which is in the main an individual pursuit (and seen by the general populace now as the way to “make money”, rise up, or change their life) versus EE which is the rigorous, driven but slow process of collectively growing a solid cadre of skills reflects again on our leadership and our societal psych of “each one for themselves”. Gone is the duty to “send the lift back down” when you have made it.

If I reflect back on how these last years have played out, I often wonder if the focus had been switched, could we have, as I had argued, avoided some of the ills that now soak up our labour market, and have done nothing to erase or move us further enough along the line to begin the healing of the scars in the labour market of the apartheid economy. I strongly believe that this decision in some ways (not all of course) has contributed to:

Why we still have a high unemployment rate;

Why we have a catastrophic level of youth unemployment;

Why we have seen a rise since 2010 in strikes and violent protests;

Why labour has reverted to high (monetary based)demand bargaining; to mention just a few.

Access to education and skills, and its importance, was amply demonstrated in the Fees Must Fall campaigns (our youth know how important education now is with big BEE ‘deals’ now almost passé)

What has also been significant is that while this is an area governed through the embedded dialogue process of tripartism (like all labour legislation) it has never been an area that Trade Unions have vigorously pursued at the bargaining table for their membership. I imagine because it is empowering and the rise of workers means loss of membership. I think that this has also contributed to the slow progress in advancement of EE and has been very short sighted.

This focus would also have assisted in creating a more mature understanding of the rights created by equal pay, for work of equal value amendments brought in two years ago, and not fuelled discontent amongst employees due to lack of comprehension and information. (Many cases that are tabled in this area use monetary compensation only as a reason for complaint, this is far more complex than that).

The slow progress on EE has been exacerbated by an initial focus only on implementing numbers for employment equity targets at workplaces, and often overlooking the needs and plans that were submitted to grow these. So employment equity, a highly complex human issue became another process carried out to satisfy regulations, on the road to compliance, as opposed to a meaningful metamorphosis for workplaces.

The publication of the updated Code of Good Practice on preparing, implementing and monitoring of Employment Equity plans, gives helpful insight into ensuring a more meaningful process, other than just pursuing numerical targets, when consulting on and designing equity plans.

I am relieved to see in middle management quarters there is significant improvement in representation in many sectors which shows that (finally) a pipeline is now developing. But it could have been sooner, it could have been now. I can't help wondering if South Africa Inc. would have better international shares, and addressed some of our economic structural ills if we had done it differently back then?

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The reporting period begins on 1 September 2017 (manual submissions due 2 October 2017, electronic by 15 January 2018) requiring adherence to and incorporating the amended Code of Good Practice on the preparation, implementation and monitoring of the Employment Equity Plan .ERX has been and is able to assist with facilitating or advising designated employers on their reporting requirements.(www.erexchange.co.za)

*The Chief Director role has accountability or Implementation of Employment Equity Act, among other key pieces of labour legislation.