

Close gaps in BEE, but don't throw away policy

BROAD Based Black Economic Empowerment (BBBEE) is a complex policy that was well thought through by the government, seeking to broadly empower black people as employees, women, disabled people, black-owned companies and black non-profit or community organisations. Since its inception the BEE policy has empowered many people.

Black people are now employed in positions that they would not have attained during apartheid.

This brought economic transformation, an increase in the black middle class, and the establishment of new black-owned companies, some listed in the Securities' Exchange and at Nasdec.

Having observed these successes it seems unfair and probably dangerous to refer to BEE as a complete failure. We should admit that BEE has had its unintended consequences, including the enrichment of the so-called "usual suspects", who in some cases are politically connected.

We have seen people positioning themselves to benefit from empowerment opportunities, including companies and individuals engaging in "fronting".

It would however be unfair if these unintended consequences persuaded anyone to believe that BEE was no longer relevant. Any empowerment law that the government might introduce to replace BEE will also have its unintended consequences.

Those who are politically connected and pushing for change will no doubt position themselves in order to benefit once again.

Sphetho Siyengo

Given these facts, the country needs to act against illegal activities like fronting. We also need to reward companies that are high-level BEE contributors.

After all, even if the present BEE approach was abandoned, it would take years for any new policy to make a significant empowerment impact.

Let us realise how many black people currently have shares in listed and unlisted companies. Have we forgotten how many black people are employed in companies at strategic levels. Some have benefited in skills development programmes while others are in companies that benefited from enterprise development and preferential procurement initiatives.

Yes, let us admit that we have been disappointed by those black people who, since they are well-connected, benefited in deals like



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Arcelor Mittal SA. Similarly, some black people who were given executive management positions in institutions such as the police, Athletic SA, Cricket SA, SAA, the SABC and many others, have disappointed us in how they managed these organisations and the dark cloud under which they left.

These disappointments should not make BEE a bad policy, but should make us learn from them.

Although BEE has yet to help the majority of black people to own the wealth of the country, it should not be seen as a total failure.

We can understand when some people compare the ownership of the SA economy by black people with that of other countries like Nigeria, Zimbabwe, Botswana and Kenya. The SA situation is different from other African countries where ownership of the economy is in the hands of the black majority.

We also know that in the tendering process companies or consortiums have been established to defeat the objectives of BEE.

But let's not fall into the trap of totally disbanding BEE, but rather help to tighten the loose ends to make the strategy more efficient and inclusive.

Can people imagine how the majority of South African citizens will feel in 15 years' time if they still find themselves being marginalised economically, or living with abject poverty, unemployment and a lack of service delivery? We have to be serious about transformation or else the ticking time bomb of discontent will one day explode.

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MEDITATION



Nowadays the rage for possession has got to such a pitch that there is nothing in the realm of nature, whether sacred or profane, out of which profit cannot be squeezed.

Desiderius Erasmus (1466 - 1536), Renaissance thinker and scholar