

BBBEE is relatively safe under Ramaphosa

I WRITE with regard to the future of broad-based black economic empowerment (BBBEE) under President Cyril Ramaphosa's leadership.

There has been much speculation about Ramaphosa's approach to a wide range of economic reform policies now that he has emerged the leader of the ruling party after the recent national elections.

BBBEE aims to provide a platform for equal economic participation of all the citizens in the economy. The policy aims to uplift black disadvantaged people to participate in the mainstream.

BBBEE measures the extent of economic participation by black people – Africans, Indians and coloureds – who were born or became citizens before the promulgation of the constitution in 1993, or had it not been for the apartheid regime, would have obtained citizenship before then.

During the run-off to the 2017 ANC national elective conference at Nasrec, some analysts and contenders said they believed he was against radical economic transformation, had strong ties with the elite white business community and so posed a threat to the future of BBBEE.

While this might be true, one cannot negate the experience he has in business and his desire to achieve inclusive economic growth for everyone to enjoy and, in the process, get rid of corruption.

A major highlight of Ramaphosa's leadership approach has been his foreign direct investment drive to achieve economic growth, a strategy that is likely to curb the scourge of unemployment, develop the skills of the local work force and empower

the local emerging industries.

These are some of the objectives of BBBEE and if his views, objectives and goals are implemented, one can safely say that BBBEE is secure under his leadership, though this remains to be seen.

From 2003, when the BEE act was enacted, a lot of opportunities have been created for many South Africans, which had it not been for BEE, such would not have been created or achieved.

The president has previously been involved in the emergence of BEE and has benefited from such through his previous positions as the chairperson of the BBBEE Commission, having had BEE equity stakes in the likes of Mondi Plc, MTN Group Ltd, McDonald SA, Sasria Ltd, Standard Bank, Macsteel BV, to mention just a few.

In all these entities, the positions he assumed, were to a large extent with a view of imposing and ensuring BEE compliance and transformation.

It would be hypocritical of him to then advocate for policies that would seek to tarnish the advancement of BBBEE in South Africa.

In essence, Ramaphosa's approach on the future of BBBEE is most likely to be influenced by the following factors*

- His extensive trade union background and role played in the drafting of the Constitution.

- His current and future constituencies as well as their expectations of BBBEE.

- His appetite for curbing widespread unemployment, imparting skills, developing black entrepreneurs and appeals to address the social ills affecting the majority of previously disadvantaged communities.

Having said all of this, there are highly unlikely to be any radical changes in the policy of BBBEE since any drastic changes could counter the current president's foreign direct investment drive.

It's probably safe to say the policy is likely to bear the same principles and requirements as it currently has for the sake of certainty for the foreseeable future.

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