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Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

THE NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NO. 3179

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The Leader of the Opposition (DA) to ask the Minister of Trade, Industry and Competition:

- (1) What specific socio-economic metrics does the Government use to assess whether the policy of broad-based black economic empowerment has been successful since it was introduced 19 years ago;
- (2) whether the specified metrics include changes in the (a) absolute number of black people living below the upper-bound poverty line, (b) proportion of the population of the Republic comprising black people living below the upper-bound poverty line, (c) absolute number of black people who are unemployed, including those who have given up looking for a job and (d) black unemployment rate, including those black people who have given up looking for a job; if not, why not; if so, what are the relevant details?
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REPLY:

- (1) The South African Government is mandated to effect redress in the interests of equity, as embodied in the Constitution of the Republic of South Africa, 1996 (Act no. 108 of 1996). The Constitution, 1996 laid the foundation for a coherent and an inclusive economy of all its citizens. Section 9 of the Bill of Rights, in the Constitution, promotes equality in all facets of life, inclusive of the economy. An inclusive economy will only be possible if the South African economy builds on the full potential of all persons and communities across the length and breadth of our Country.

The Broad-Based Black Economic Empowerment (B-BBEE) Act, 2003 (Act No. 53 of 2003), as amended, defines 'broad-based black economic empowerment' as: "the viable economic empowerment of all black people, in particular women,

workers, youth, people with disabilities and people living in rural areas, through diverse but integrated socio-economic strategies that include, but are not limited to -

- (a) increasing the number of black people that manage, own and control enterprises and productive assets;
 - (b) facilitating ownership and management of enterprises and productive assets by communities, workers, co-operatives and other collective enterprises;
 - (c) human resource and skills development;
 - (d) achieving equitable representation in all occupational categories and levels in the workforce;
 - (e) preferential procurement from enterprises that are owned or managed by black people; and
 - (f) investment in enterprises that are owned or managed by black people”.
- (2) The introduction of ‘broad-based’ criteria is intended to ensure that the impact of policy is not confined to opportunities only for black entrepreneurs. The impact of policy on living standards (including persons living in poverty) and on employment (measured by the quality and quantity of jobs), are therefore also relevant.

A number of broad-based investment vehicles addresses socio-economic development matters such as

- provision of bursaries to students, which assist with increasing employability of the individuals and helps to grow the pool of skills that can drive higher growth, and thus higher incomes and jobs numbers
- rolling out of education support (eg teaching of numeracy at primary schools), laying the basis for better technical skills
- health-care services (such as HIV-Aids education) to discourage risky behaviour and stigmatising HIV positive persons
- rural development which assists with sustainable livelihoods
- job creation schemes and
- measures to improve living standards for members of communities.

The Department is currently undertaking research that can assist to quantify the impact of broad-based BEE policies on the above.

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