

Van Ryn's BBQ Awards toast decade of success

Minister of Public Enterprises Malusi Gigaba delivered the keynote speech at Emperors Palace

I wish to start by commending the organisers of the Black Business Quarterly Awards for simply standing behind the notion of celebrating success in empowerment.

In essence, what we have come to celebrate here tonight is black success.

There are many eminent black business persons whose names adorn the BBQ Awards achievers' galaxy.

These particular awards take place in a specific and unique context of black business people having recently taken a firm stand to affirm their own interests and aspirations within the business community, as well as their right to organise themselves along the lines that they are black and still largely excluded from owning productive capacity.

Therefore, I believe it makes sense that we must talk more and not less about this subject of broad-based black economic empowerment (BBBEE).

This has happened in the face of ardent opposition from the dominant illiberal opinion in our country, which still dominates the public discourse and has, since the advent of our democracy 17 years ago, rabidly opposed all transformative legislation – dubbing it racism in reverse.

Yet, this same illiberal opinion shamelessly finds no fault in keeping quiet in the face of the continued concentration of wealth in white hands.

The diatribe we have listened to since the advent of democracy in South Africa is that we must aspire toward an "equal opportunities

society" as though black and white South Africans started this race into the future at the same point, or as if the playing field is level.

The folly of such views has been exposed again and again by reality and yet its advocates and high priests are refusing to budge, arguing ever more steadfastly each time facts strike a telling blow to their arguments.

Despite the BEE policy, and 17 years into the new dispensation, black business still accounts for less than 10% of the Johannesburg Stock Exchange (JSE).

As for the banks, they simply have not acceded to a scenario where blacks will own 15% of their issued share capital, hence the current stalemate at the Financial Services Charter negotiations.

Notwithstanding the above, there is growing awareness that measures need to be introduced to "expand the pool of beneficiaries", with calls for a more balanced approach to implementing BEE – an approach that elevates management control – as well as the training and development of blacks to positions of greater managerial influence.

The democracy dividend is yet to be experienced by the majority of South Africans, which means the racial characterisation of poverty and wealth in our country still persists.

On the margins

Generally, women, youth and disabled persons continue to suffer exclusion from the shop floor, management positions and the ownership of productive capacity.

Women make up 42% of our workforce, but less than 10% are chief executive officers and

board chairpersons. Just over 15% of statutory directors of companies and a quarter of executive managers in South African companies are women. Since these statistics do not take race into account, I am sure African women constitute a woeful share of these numbers.

Research-based evidence suggests that gender differences in respect of pay are equally lopsided, as indicated by the recent survey of the highest earners and wealthiest South Africans.

Income disparities in our country are completely absurd – by race, gender and class – and current patterns of executive remuneration need a collective review!

Certainly, the government's "Towards a Ten Year Review" produced in 2004 highlighted that we have made faster and greater progress with transformation where the government alone is involved than where the private sector was engaged.

In a study completed some three years ago, it was found that the public sector has been transformed from a white male domain to one dominated by African women.

African women outstrip all other groups and represent 42.7% of the total employees in the public sector, whereas African males comprise 34.5% of employees, followed by white females at 6% and, finally, coloureds.

White males stand at 4.6%, followed by Asian males and females, 1.9% and 1.6% respectively.

Notwithstanding the impressive numbers, however, women's empowerment, according to reports, is not happening in any significant or meaningful way in the departments.

Apart from general policies and practices that affect all staff, there are no specific programmes

that recognise women as a separate interest group with specific interests and needs.

This includes issues related to recruitment, training and addressing the practical needs of women.

Bearing in mind the above, let me start here: we, as custodians of the policy of transformation, must respond to this social injustice – not only with clarity of ideas, but a certainty of intent as well.

While addressing the issue of our political liberation, Professor Ali Mazrui once referred to our democracy as a situation of “you wear the crown, we keep the jewels”. This seemed to be the general experience of much of post-colonial Africa.

The continent seemed to follow the path once described by other African luminaries in the following manner, “Seek ye first political kingdom; and economic kingdom shall follow”!

Accordingly, the issues we are raising speak not merely to representation – important though this is – but to the correction of the general liberation experience on our continent, guided by the unique colonial situation in our country in terms of which political oppression, economic exploitation and gender discrimination had become so enmeshed that it was impossible to even conceive of political freedom without, at the same time, extending it to economic emancipation.

Representation, be it of race or gender, is more than merely a numbers game. Empowerment will not be meaningful if, for instance, gender voices are drowned out by predominantly male cultures.

In this regard, I wish to make a bold and ostensibly controversial statement. I say controversial because those familiar with the policies of the ANC, from which I come, will know that we would often utter such words in hushed tones, as some might consider them to be worse than treason.

Black capitalist class

However, let me say this: South Africa and the South African economy need a black capitalist class; that is, black owners and captains of

industry to partner the government in building the economy.

In particular, we need black, female and young industrialists who will participate actively in the industrialisation of our country, and thus meaningfully transform the ownership patterns of productive capacity.

A core element of our empowerment policy must be to build this class and, to some extent, this has been successful – though, much more still needs to be done.

This, in turn, poses questions regarding the responsibilities of this class, and what values it is going to embrace.



Young Business Achiever and the Businesswoman of the Year:
Trinity Lekwetse Ncala, managing director: T and T Appointments



BBQ Best Established Black Business Award
Kamogelo Mmuntlana, CEO: FleetAfrica



BBQ Best Established SMME

Sibongile Benedicta Maseko, CEO: Bongqi-M Construction



BBQ Businessman of the Year

Tsietsi Mokhele, CEO: South African Maritime Safety Authority



BBQ New and Innovative Business

*Delani Mthembu, director:
Landelahni Leadership Development*

Is there going to be competition within this class to determine who has the biggest fleet of expensive cars, or who has the biggest house in the most exclusive neighbourhood?

Or do we need a different type of ethic, one based on setting a different kind of example as to how success is measured – an ethic based on long-term investment in building a productive and employment-generating economy, such as in countries where developmental states have been more successful?

I think we all know the kind of business leadership this country requires; the question is, are the people in this room (at the BBQ Awards) going to be those leaders?

I must hasten further to insist that these are questions that black capitalists should not answer alone, or that do not face them alone, but the rest of the capitalist class in our country.

Bourgeoisie

Early on in the term of the new dispensation, we debated the question of the patriotic bourgeoisie and the following questions were asked: Can the bourgeoisie be patriotic at all?

What constitutes such patriotism? Is race the sole criterion for patriotism?

What would make the black bourgeoisie patriotic and their white counterparts unpatriotic? To be more precise, what would cause the entire South African bourgeoisie, regardless of race, to be patriotic?

Let us try to answer this question by making reference to how the bourgeoisie of other countries behaves or has behaved in a similar situation:

It is becoming increasingly popular for businesspeople and economists in our country to call for more labour market flexibility. Implicitly, and naturally, business wants to employ labour in a way that is more convenient to them and to lower wages for certain categories of workers.

Yet, there is another side to this coin – which relates to the share of the economic surplus extracted by the rich – by senior management. The implicit question is, should top management also be called upon to take a cut to make the economy more competitive?

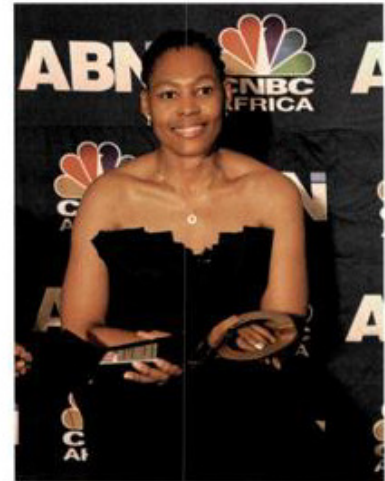
Cambridge economist Gabriel Palma did a global comparison of how gross domestic



Community Builder of the Year
Dr Morokolo Silas Sathekge
General manager
Letaba Helen Frans Bursary Scheme



BBQ Public Sector Visionary
Nkomotane Clifford Motsepe
Head: Limpopo Department of Co-operative
Governance, Human Settlements & Traditional Affairs



BBQ New Entrepreneur
Octavia Matshidiso Matloa
CEO: Mukundi Mining Resources

product is distributed between different classes in society, and his study revealed that:

- As a rule, globally, the middle classes tend to get 50% of GDP. The remaining 50% is then divided between the rich and the poor.
- South Africa is an outlier. The top 10% receives 35 times more income than the bottom 10%.
- In the United States, which is not known for its egalitarian policies, the ratio is around 20 times.
- Globally, the average multiple is around 12 times.
- Our top 10% receives five times the income of the bottom 40%, against a global average of under two.

A case can be made that it is okay for the rich to receive a large share of the pie because they are the class that invests in the economy and ensures sustained growth.


Indeed, many developmental states have been characterised by social compacts, often to some extent imposed by highly authoritarian states, whereby real wages are kept low in order to sustain high levels of investment to build the productive capabilities in the economy:

- In Korea, the rich are still investing over 100% of what they earn into the economy – they are taking on personal debt in order to invest beyond their incomes.
- In India, China and other fast-growing Asian economies, the wealthy are investing between 70% and 80% of their income.
- In South Africa, the wealthy are investing less than 35% of what they earn back into the economy. We are squandering our national wealth on conspicuous consumption.

No wonder we have such a huge income disparity, yet the private sector in South Africa is sitting on 18% of GDP in investable cash that they are not investing.

Can black entrepreneurs orchestrate a change of course in this regard? This is the question!

But, first, we must build more and more black entrepreneurs, knowing that half may or will fail. But others will succeed, and we will meet here such as we are doing tonight to celebrate their achievements.

Congratulations to all the recipients of the BBQ Awards; your success is ours! 

Malusi Gigaba



BBQ Corporate Social Investment
Susan Abro
Chairperson
Chaine des Rôtisseurs Foundation Trust