

## BEE

## What about the workers?

There is a debate raging within the ranks of the union movement about its attitude to BEE.

Unions are being forced to respond to BEE as it deals with issues such as procurement, privatisation and state tendering policies. **Dale Forbes** explores how unions can respond to BEE and whether it can ever be broad-based.



**B**lack economic empowerment (BEE) is presented as a necessity for post-apartheid South Africa. BEE is unchallenged from the right or left, from bosses or workers, from political parties or civil society. Our need for BEE is seen to be so self-evident that explanations are superfluous. Cosatu's only concern seems to be that BEE is too narrowly focused. Fortunately, our government agrees with Cosatu. This is why BEE is now required to be broad-based. So everyone ought to be

happy once again. Yet the rumbles continue.

Could this unease be because most black South Africans, not just workers, remain untouched by BEE, whether or not of the broad-based variety? Statistics certainly confirm the rapidly growing inequality amongst blacks - there are now a small number of very rich blacks and overall the rich are getting richer. Statistics also show that workers are getting poorer in both absolute and relative terms.

Another reason for the disquiet could be

that workers, in ever increasing numbers, are experiencing another sober reality. That the colour of capital, like the colour of their bosses or managers, makes little if any difference to how workers are treated or whether a company buys South African-made products? Class position, rather than colour solidarity or shared backgrounds or family connections, appears to be the ultimate determiner of behaviour, as workers are learning, often painfully.

BEE supporters within the labour

movement might counter with two arguments both of which involve time

- The economy needs to grow before the benefits of BEE are fully experienced
- Broad-based BEE legislation is only a little over a year old and that the appropriate codes of practice required by the legislation have still to be issued. It is therefore said to be far too soon to pass judgement.

Neither of these two arguments is persuasive. The claim that the economy has to grow simply assumes that our economy will grow and that the growth will advance BEE, which in turn will benefit workers. Moreover, the economy is already sufficiently sound to generate the tens of billions that are given away each year in tax concessions to individuals and business. Similarly, hundreds of billions are already available to finance the creation and growth of what President Thabo Mbeki calls the 'black bourgeoisie'.

It is of course true that broad-based BEE is a new addition. What is overlooked, however, is an analysis of the economy that made it necessary for the government to insist that BEE had to be broad-based. Class societies reproduce the existing inequalities that characterises each society. Capitalism is a class society that by its very nature leads to a concentration of wealth in fewer and fewer hands. The fact that BEE has been very successful in producing a black elite is a function of the natural workings of capitalism.

The question for labour is whether BEE can ever be broad-based if the concept itself is to mean anything. Asking this is to ask whether our government - or any government for that matter - can ever force capitalism to produce a transformation that economically empowers the masses while still being committed to the further growth and development of capitalism itself. Merely asking this question points to the



*□ I trust that in reviewing my pocket money increase, you will take into account the fact that I now have a BEE partner. □*

impossibility of the task.

Broad-based BEE, even if it were to be successful, could do no more than make the present black elite slightly less exclusive. Although the size of the elite might increase, it would nonetheless remain very much a body of the privileged few. The vast majority of South Africans would still remain both black and poor. This condition would not necessarily be because the black bourgeoisie are insufficiently patriotic but because our capitalists compete with other capitalists for more or less the same markets and the cost of labour is central to the profit maximising imperative that drives all capitalists everywhere in today's globalised world. There are now two economies in our country, a rich one and an unrelated poor one. Poverty is the condition in which wealth is realised in a single economy.

Large-scale unemployment and cheap labour are the Siamese twins of the capitalist competition that makes some South Africans very rich. This has always been the nature of our society. BEE has simply opened the door of privilege to a small number of blacks. Broad-based BEE might open the door to slightly more lucky people. To expect more of BEE is to expect capitalism to stop being capitalism.

It might be argued that broad-based BEE is better than nothing, for as long as we have capitalism. Some unionists might accept that BEE does nothing for workers

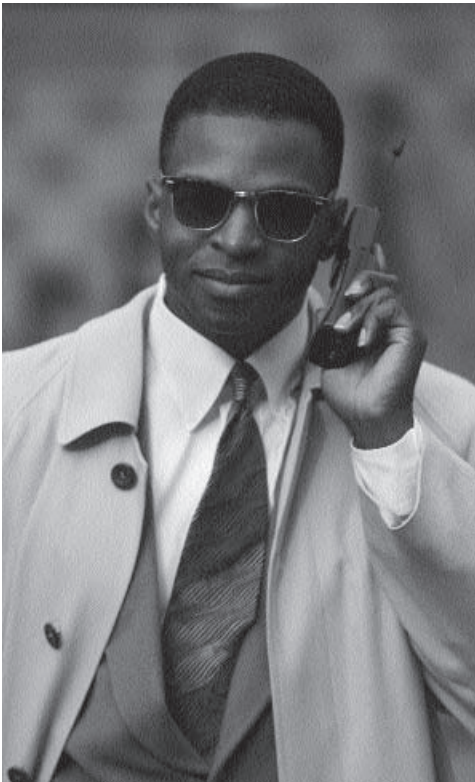
but still support broad-based BEE on the grounds that it does promote black advancement without harming workers.

We need to understand BEE within a class perspective of what is occurring under capitalism in South Africa. The black petty-bourgeoisie was prevented from developing into a bourgeoisie as apartheid placed a number of restrictions on their development. Once these were lifted in 1994 the black petty-bourgeoisie saw this as a huge opportunity to advance their class agenda. BEE became their slogan as they pushed for government to promote their development. However, in order to rapidly gain wealth, they had to tie up with existing monopoly capital that owned 99% of the economy. We saw the 'black empowerment' deals that created big black capitalists like Cyril Ramaphosa, Tokyo Sexwale, Patrice Motsepe, Marcel Goding and Saki Macozoma. This was the only way to accelerate the development of a black capitalist class that was financially dependent on the old white monopoly capitalists. It is not surprising to discover that the new black bourgeoisie acts no differently to the rest of the capitalist class.

#### CRITICISM OF CURRENT THINKING

There are four main criticisms of this argument.

- *Privatisation* - BEE has helped make privatisation acceptable. The *de facto*



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burial of the Freedom Charter's commitment to nationalisation receives legitimisation from BEE. State assets are sold in order to promote BEE. That these assets are also sold off cheaply merely adds to the problem. Moreover, municipal outsourcing - another form of privatisation - is but another way in which BEE is promoted. BEE also reinforces the hegemony of neoliberal thinking that exists amongst municipal managements everywhere and which in turn predisposes management to commercialisation, commodification, corporatisation and outsourcing, etc.

- *'Race'* - BEE gives constant currency to so-called race and colour. We seem to have forgotten that Cosatu affiliates including Samwu, used to refuse to fill in apartheid labour forms that counted workers according to apartheid-invented 'races'. Labour maintained that workers are workers and that race was used to divide the working class. Thanks to BEE and similar initiatives labour now not only willingly divides itself, but also does so according to the once reviled inventions of apartheid.
- *Cost* - At the same time that our government tells us that it cannot afford to implement the socio-economic rights

guaranteed by our internationally praised Bill of Rights, it has no difficulty in forcing the introduction of so-called Charters that require the expenditure of hundreds of billions in order to create a black bourgeoisie. The same pattern is to be found at a local government level. Vast sums of money that municipalities claim they do not have when it comes to paying living wages or providing adequate services are earmarked to assist SMMEs in an extraordinary wide range of ways.

- *Capitalism* - Cosatu's commitment to socialism is deeply undermined by its support of BEE. The underlying notion of BEE is that it is possible for capitalism to deliver. Thus a deracialised capitalism is somehow seen as an improvement on the existing situation. The promise is made that capitalism can share some of the wealth with the working class. The success of BEE is profoundly dependent on the success of capitalism. The opposite is no less true. Capitalism is profoundly dependent on the success of BEE. Indeed, the main reason why BEE is supported by big business is because BEE legitimises capitalism. The large number of one-time revolutionaries who are now lost to the labour movement would be back in business were it not for the fact that they are contentedly engaged in profitable business of another kind.

This critique of BEE begs an immediate question. If BEE is so opposed to workers' interests, how does one account for the enthusiastic support it receives from within the labour movement? The following provide some answers.

Firstly, there is an enormously powerful identification with the black bourgeoisie on the basis of colour. In this respect, class, if not completely overlooked, certainly plays second fiddle to colour. This relates to the struggle of all classes against apartheid - each for their own reasons. The writings of Franz Fanon and our own Steve Biko are especially important in understanding this phenomenon.

Secondly, our own leaders within the labour movement - our elected officers and shop stewards - are not immune to the

economic attractions BEE has for them personally. Post-apartheid South Africa has undoubtedly seen the triumph of capitalist values. This is the get-rich age of personal advancement with scant regard to notions of class solidarity. In this climate it takes extraordinary political commitment for people of ability (and the right colour!) not to be intoxicated by BEE.

Thirdly, this ties up with the social democratic belief of many within the leadership of Cosatu. They believe that it is possible to create a more caring, compassionate capitalism. Thus notions of redistribution are argued for. Of course, this is redistribution of the profits that capitalism produces.

Rejecting BEE does not, however, mean dismissing the need for reparations. Those who profited from apartheid do indeed owe a lot to most South Africans. Redress for the crimes of apartheid remains as urgent today as in 1994. This year is the 50th anniversary of the Freedom Charter. We ought to be much bolder in our demands that the promises of the Freedom Charter are met. We ought to be much bolder in our demands that the socioeconomic rights guaranteed us by our Constitution are met. Our demand for a living wage - for dignity - is one concrete expression of the values enshrined in both the Freedom Charter and the Constitution. South Africa was built on cheap labour. After ten years, democratic South Africa has made little progress in tackling this problem.

CONCLUSION

The racial development of South African capitalism led to the suppression of the development of a black capitalist class. The transition to a non-racial capitalism in 1994 allowed the black petit bourgeoisie the opportunity to develop into a bourgeoisie. The nature of the development of the black bourgeoisie means that it is as reactionary as the rest of the bourgeoisie. Broad-based BEE is a social democratic project that relies on the success of capitalism.

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