



PARLIAMENT
OF THE REPUBLIC OF SOUTH AFRICA

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Mr M C Ramaphosa
President of The Republic of South Africa
P O Box 15
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Dear President Ramaphosa

RE: EMPLOYMENT EQUITY AMENDMENT BILL

You have, on your desk and awaiting your assent, the Employment Equity Amendment Bill. This Bill was passed by the National Assembly at the end of last year, and has just been passed by the National Council of Provinces. It now requires only your signature to be passed into law. I am asking you not to do this.

If you are at all serious about a reform agenda that will reignite our stalled economy, create jobs on a large scale and lift millions of desperate South Africans out of poverty and into employment, you will surely know that this Bill stands between you and this goal. You will no doubt be pressured by those in your party who do not support a reform agenda to put your signature on the Bill, but you cannot be unaware of the devastating effect this Bill will have on future investment and jobs.

Despite its name, the Employment Equity Amendment Bill will not bring about transformation in the workplace. It will not achieve a levelling of the playing field, and it will do nothing for the almost 12 million South Africans who do not have jobs. We all know by now that the names given to such undertakings often serve as a fig leaf for their actual purpose and effect. Just as Broad-based Black Economic Empowerment has done nothing but further impoverish this broad base while enriching a thin sliver of well-connected individuals, the Employment Equity Amendment Bill will do the opposite of what it says on the box.

Clause 4 of the Bill - which introduces Section 15A to the Act - confers on the Employment and Labour Minister sweeping powers to pick national economic sectors and then assign numerical race targets to these sectors. This will certainly scare off precious investment and chase away the skills and capital our country so desperately needs right now. We are already seeing a flight of skills, capital and taxpayers that we could not afford at the best of times, let alone the dire economic circumstances we now find ourselves in.

On top of this, clause 12 of the Bill - which operationalises Section 53 of the Act - reserves state contracts for employers who are in possession of a compliance certificate issued by the Minister. And such a certificate can only be obtained by meeting any sectoral target set by the Minister. This power will make it possible to manipulate state tenders and funnel contracts to specially chosen beneficiaries - something we know all about thanks to four sections of the Zondo report.


And all of this is done under the guise of transformation. Almost every government swindle - from inflated local government procurement contracts all the way up to the Guptas and State Capture - has taken place under cover of transformation, empowerment and equity. But while connected cadres have gotten richer and richer thanks to these interventions, ordinary South Africans have never had it worse. Broad unemployment now stands at more than 46% and we're in the longest downward economic cycle since the Second World War. Last year alone more than a million jobs were lost.

Even if we did everything right from here on, life would still become extremely hard in the coming months and years for those South Africans without savings and steady income. The lingering effects of the Covid lockdowns together with the impact of the war in Ukraine will bring our economy to breaking point, and the coming food and fuel inflation will be deadly for many of our people.

Those are the people in whose shoes you need to walk before deciding whether to put your signature on this Bill. Not the bubble of South Africans who are resilient against economic shocks, but the 30 million men, women and children who already live below the upper-bound poverty line and who face hunger and even starvation with the stroke of your pen.

If you are serious about fixing our broken country, you have to start judging your government's policies and interventions by their actual outcome, and not by the noble-sounding but meaningless name given to them. Do the right thing, Mr President, and send this Bill back to Parliament.

Yours faithfully



John Steenhuisen MP
Leader of the Official Opposition
Parliament of RSA