

Press Release



**South African
Institute of
Race Relations**

South Africa's Leading Research and Policy Organisation

For immediate release

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Parastatals not compliant with employment equity demands

Despite the Government's demand that companies in the private sector conform to employment equity targets, the demographics of upper management in most South African parastatals do not reflect the demographics of the country, according to the latest *South Africa Survey*, published by the South African Institute of Race Relations in Johannesburg this week.

The data, which was sourced from a parliamentary question, shows that at the electricity parastatal, Eskom, of the 21 members of top management, only a third are African, a third Indian or coloured, and a third white. Nearly half (48%) of the 388 members of senior management are white. Some 30% are African, six percent coloured, and 16% Indian.

Of the 407 members of the management of the arms parastatal, Denel, 10% are African, five percent coloured, eight percent Indian, and 77% white.

Of the 102 members of the top management of the logistics parastatal, Transnet, 41% are African, six percent coloured, 21% Indian, and 32% white. Of the 495 members of senior management at Transnet, 39% are African, 10% coloured, 19% Indian, and 33% white.

There are only three parastatals where Africans make up 50% or more of management. These are South African Airways (Africans account for 50% of management), the South African Forestry Company Limited (67%), and South African Express (67%).

The Department of Labour announced in December 2010 that proposed amendments to the Employment Equity Act could see employers who contravene the act by not submitting employment equity plans or by failing to ensure that their staffing component accurately reflects the demographics of the country, could be fined up to ten percent of turnover. Currently the maximum fine which can be imposed is R900 000.

A researcher at the Institute, Marius Roodt, said that private companies could not be expected to comply with the Employment Equity Act when parastatals do not. 'This is a reflection of the dire skills shortage in the country. Companies, and indeed parastatals, have to take on skilled personnel, no matter what the colour of their skin is,' Roodt said.

more

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'The Government is pursuing a risky course in planning on implementing even heavier fines for companies which do not comply with employment equity laws. These laws will only scare off investment in South Africa, and deter South African companies from expanding. They are counter-productive and anti-investment.'

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