

Empowerment is not just whitewashing

By [Stacey Davidson](#)

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In 2015 the Department of Trade and Industry announced amendments to the broad-based black economic empowerment (BBBEE) codes. As much as BEE has been a part of the business language for about 13 years, these latest changes reflect that government views business ownership as an integral element to transform the South African economy. To do that effectively, we have to have previously disadvantaged people participating meaningfully in the economy, at an ownership level.



To find a solution to this challenge, it requires all of us to take the initiative as individuals, businesses, and communities, finding opportunity where there was none, and thinking differently about what we know.

Unfortunately, our current approach to transformation and empowerment is missing the mark. The way many businesses are going about empowerment is not actually empowering people. Results from the Department of Trade and Industry show that most people are no better off now, compared to when they started their businesses. Successful empowerment will not come from simply transferring assets and ownership, nor from handouts, but through putting plans with tangible output requirements into action.

Pockets of success

Developing an environment in which black-owned SMMEs can thrive is an obvious goal, but one not easy to achieve. While there are pockets of success, many small business owners are still burdened by numerous obstacles. These include a lack of sustainable market access, skills transfer and difficulties of access to finance.

The past shows that hand-outs do not work, with most startups folding within their first year due to a lack of basic understanding of financial controls. Simply transferring ownership is also not viable as the individual business owner is usually not mentored and trained to ensure that the business succeeds and grows.

REDISA believes that SMMEs need to be provided with the best chance for success in an otherwise challenging economic environment by adopting a more proactive approach that takes into account the realities of our country's history. Transformation and empowerment are the foundation on which the REDISA Plan was developed and we believe that this is what sets apart our approach. We have not only provided a solution to the waste tyre problem, but also opportunities for the many innovative South Africans determined to carve their path to success.

Business incubation

It is our belief that business incubation is one way to address the ongoing challenges. At REDISA we have made this possible through the business incubation programme where advisory and administrative support services are taken care of by the 'incubator' – in this case, REDISA.

Where the business proves to be viable, the ownership is passed at market value to candidates who meet with specific performance requirements in terms of compliance, operational management, financial management, and product and market development.

This means an entrepreneur is nurtured, trained and equipped with all the necessary skills to be able to make the business a success. In an economic environment as challenging as the one we face, these skills are vital for the continued success of the business, and the job creation benefits that follow.

Active SMMEs

To date, we have created opportunity for 257 SMMEs to participate in the industry and currently have 122 SMMEs active as at December 2016.

We see true empowerment taking shape through providing an environment in which entrepreneurs are able to be mentored and trained, access to markets and the opportunity to be a part of a new pioneering industry.

For us, empowerment is not optional, but critical.

We continue our work in ensuring that empowerment becomes a reality. It is not a 'nice to have' approach that only benefits a few. We challenge all South Africans to be unconventional in their thinking and to work collaboratively so that we can build a stronger, empowered society.

ABOUT THE AUTHOR

Stacey Davidson is a director at REDISA (Recycling and Economic Development Initiative of South Africa).

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