

5. Trends analysis

This area covers employment equity trends for the three most recent reporting periods that involved both large and small employers (i.e. 2004, 2006 and 2008). It also provides trends separately for the three most reporting periods that involved only large employers (i.e. 2003, 2005 and 2007). In addition, line graphs depicting trends from 2000 to 2008 are included for the first three occupational levels.

5.1 Numbers of Employment Equity Reports received for 2004, 2006 And 2008

Employment Equity Reports were received from both large and small employers in 2000, 2002, 2004, 2006 and 2008. In 2001, 2003, 2005 and 2007 only large employers were required to report. Therefore, focus is placed on Employment Equity Reports received for three reporting periods when both large and small employers were expected to report, i.e. the 2004, 2006 and 2008 reporting periods.

Table 14: Number of reports received and included in the analysis

Year	Reports received	Reports excluded	Reports included in analysis	% Change in the number of reports analysed	Number of workers covered in the analysis
2004	9 389	3 835	5 554	N/A	2 534 525
2006	6 876	2 482	4 394	-26.4%	1 641 179
2008	10 580	3 351	7 229	64.5%	2 977 862

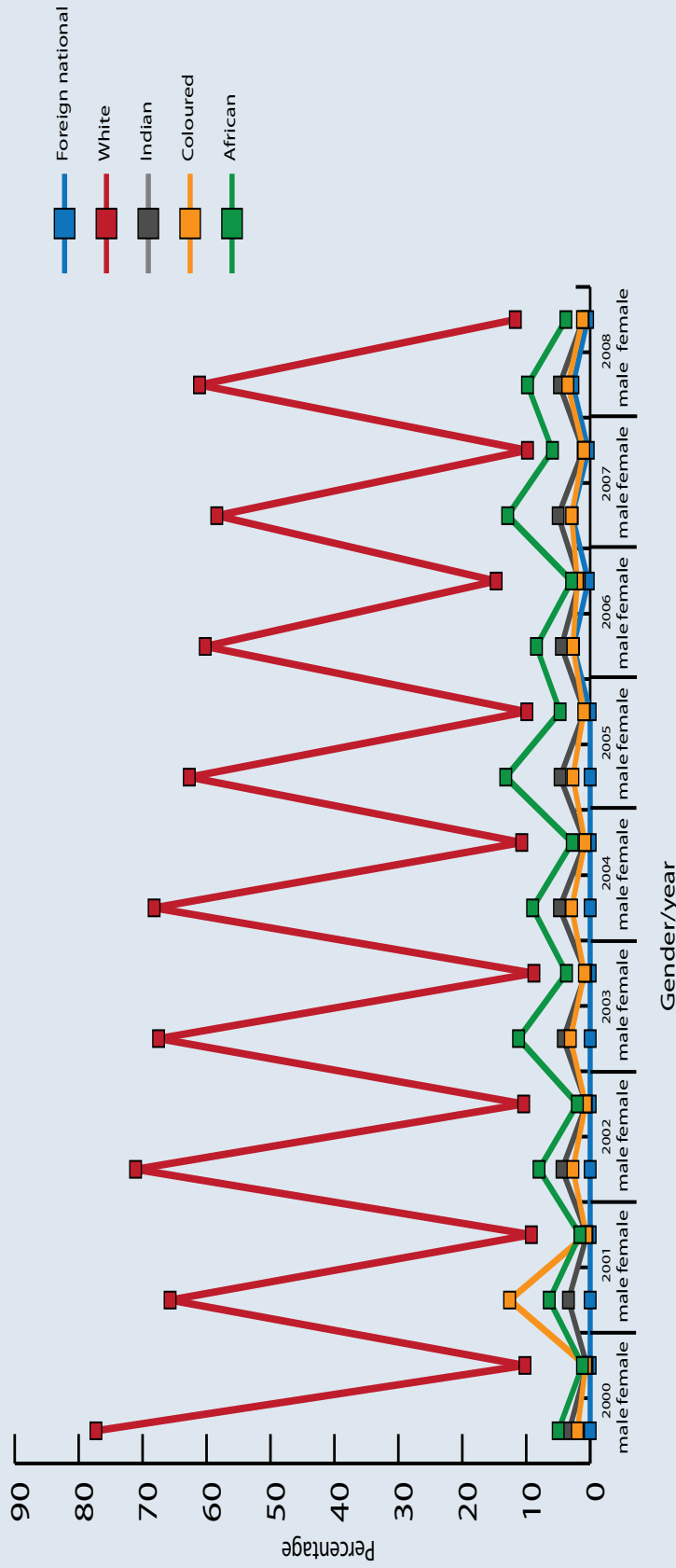
Table 14 shows a decrease in the number of reports received and the number of employees covered from 2004 to 2006. An increase is however recorded for the number of reports received and the number of employees covered from 2006 to 2008. A number of factors may attribute for these variations: mergers, closure/liquidations and consolidations, changes in designated status, etc. It is clear to the Commission that over and above these factors a number of employers have stopped submitting reports.

A promising feature towards reaching a paperless work environment for the Commission was the increase in the number of employers who reported online in 2008. In 2006 when both large and small employers reported, 338 employers reported online. In 2008, 3 977 employers reported online, which represented an increase of approximately 1 000%.

5.2 Trends from 2000 to 2008

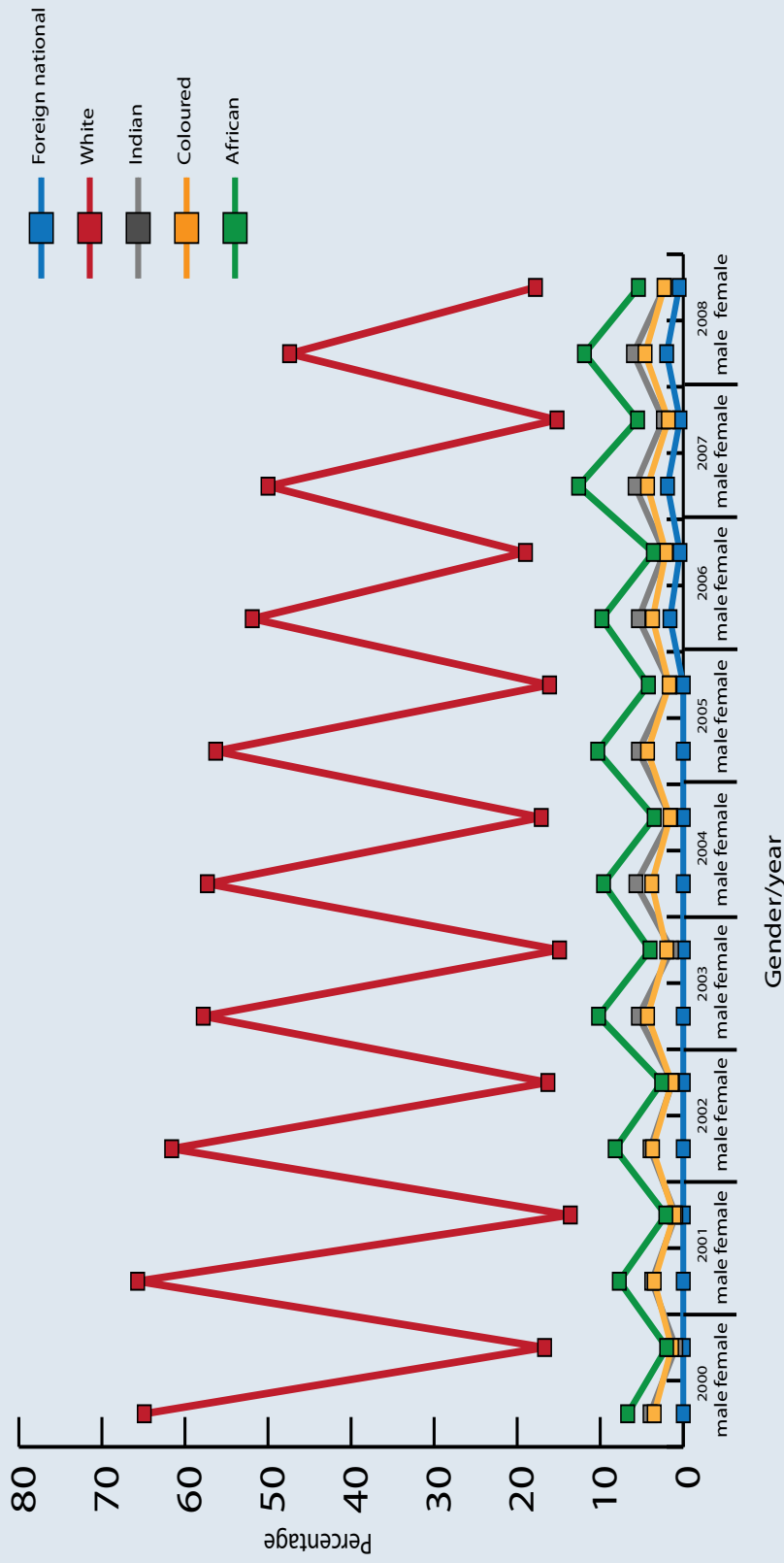
Line graphs depicting the race and gender representation trends for the Top Management, Senior Management and Professionally Qualified levels are provided in **Figure 26**.

Figure 26: Race and gender trends for the top management level from 2000 to 2008



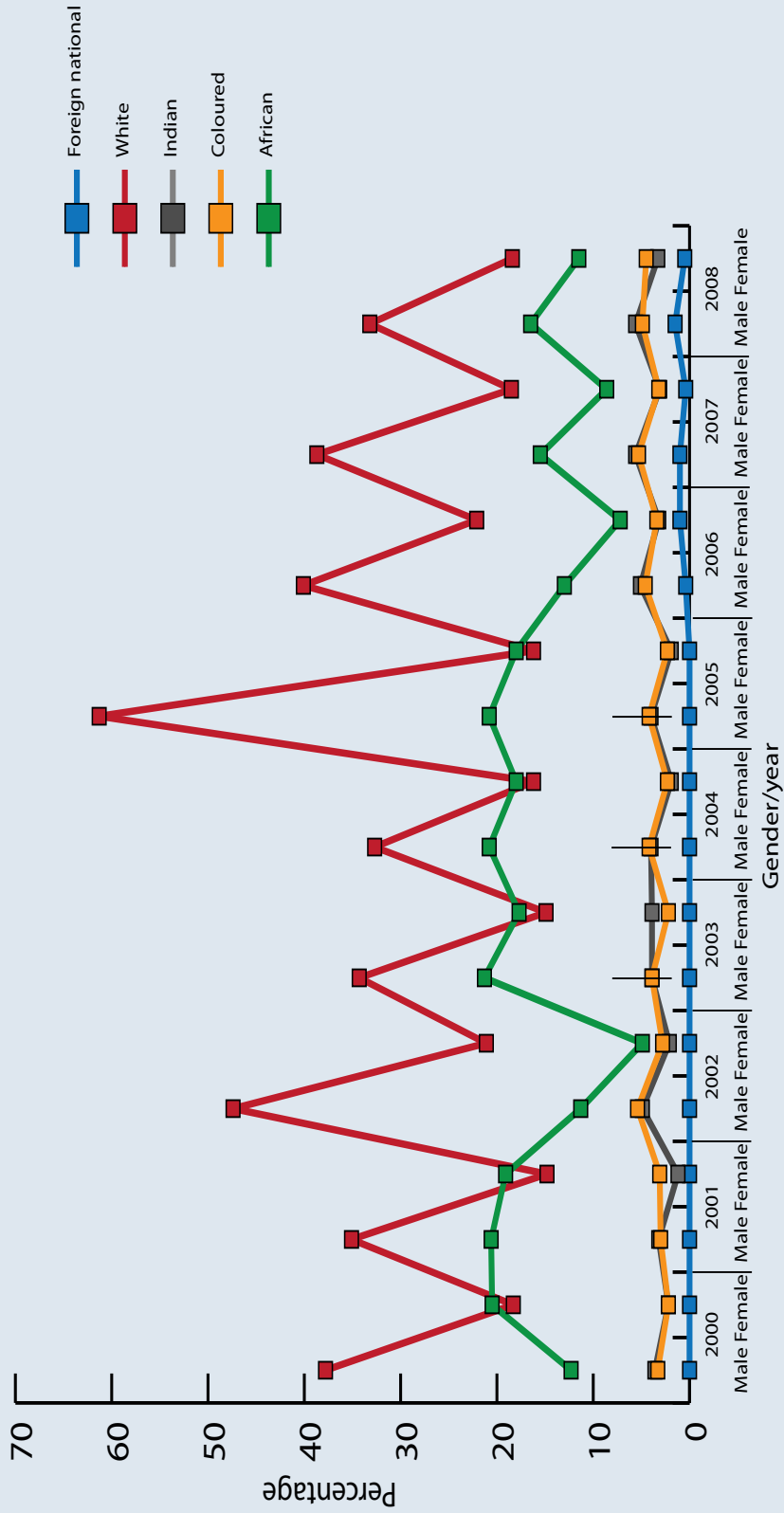
The line graph above depicts a very disturbing trend at the Top Management level from 2000 to 2008. Although White male representation dropped slightly over the years, they continue to dominate by a large margin when compared to any other group in terms of race and gender at this level. No other group in terms of race and gender came even close to exceeding 20%, whereas White male representation appeared to have hung around 60% to 70% at this level over the years. The slight drop in representation appears to have mainly benefited African males, Indian males and White females.

Figure 27: Race and gender trends for the senior management level from 2000 to 2008



White male representation appears to have hovered around the 50% to 60% mark at the Senior Management level from 2000 to 2008. Just like the Top Management level, the small drop in White male representation over the years appear to have mostly benefited African males and Indian males. White female representation at this level seemed to have lingered around the 10% to 20% mark over the years, while at the same time no other group exceeded the 10% representation at this level.

Figure 28: Race and gender trends for the professionally qualified level from 2000 to 2008



Apart from White male representation at this level spiking to around 50% and 60% in 2002 and 2005 respectively, their representation remained at around 35% to 40% over the years. At the same time, White female representation continued to linger around the 15% to 20% mark. African representation spiked to about 20% until around 2005, which thereafter hovered around the 10% mark. The trend is very disturbing because the small pool of designated groups represented at this level also impedes their movement into the Senior Management and Top Management levels.

6. Income differential in terms of race and gender for all employers

6.1 Study on population and income group

A research report published by the Bureau of Market Research (BMR) at the University of South Africa (UNISA) in 2008 covered income streams for each population group according to various income categories. The percentage distribution for each population group in terms of income earned for each income category is captured in **Table 6.1**.

Table 6.1: Percentage of population (16+ years) by population and income group

Population group	R0-R50K	R50K-100K	R100K-300K	R300K-500K	R500K-750K	R750K+	Total
	%	%	%	%	%	%	%
Africans	83.2	8.8	6.7	0.9	0.2	0.1	100.0
Asians	57.8	14.2	20.4	4.2	2.4	0.9	100.0
Coloureds	70.8	16.4	10.9	1.4	0.3	0.1	100.0
Whites	37.9	12.2	31.5	10.5	4.3	3.6	100.0
Total	75.5	10.1	10.7	2.3	0.8	0.6	100.0

(k=000)

Table 6.1 shows that the proportion of Whites and Indians who earned more than R100K in the 2007/08 financial year far exceeds that of any other group. At the same time, the table shows that the proportion of Africans and Coloureds who earned within the range of R0K to R50K is much larger than any other group (i.e. 83.2% and 70.8% respectively).

6.2 Income differential in terms of race and gender for all employers

This area of the report covers data received from employers on remuneration contained in the EEA4 forms submitted to the Department of Labour by employers in 2008. The average has been calculated by taking the total remuneration of a particular group and dividing it by the number of people in that group in terms of race and gender and occupational level. The figures were then rounded to the nearest R 1 000 (k=000) and included in the appropriate cells in **Table 6.2**.

The data received from employers in their Income Differential Statement confirms the income trends in terms of the various population groups depicted in the research report published by the Bureau of Market Research (BMR) at the University of South Africa (UNISA) in the previous table. The incomes depicted in **Table 6.2**, however, do not confirm the incomes depicted in the previous table because the quality of data provided by some employers are highly questionable. The Department found that many employers did not, amongst other things, provide data as required by the Regulations – they did not round figures to the nearest rand or even provide accurate data. Some were even reluctant to complete the EEA4 forms accurately, which is in breach of the law.

Occupational level		For level	Male				Female			
			A	C	I	W	A	C	I	W
Top management	No. of employees	21 964	2 402	809	1 062	13 572	940	290	257	2 632
	Average remuneration	R 1 340k	R 997k	R 836k	R 957k	R 1 642k	R 713k	R 603k	R 571k	R 789k
Senior management	No. of employees	6 336	2 378	3 109	25 220	2 868	1 194	1 212	9 438	51 755
	Average remuneration	R 1 791k	R 4 196k	R 865k	R 1 192k	R 1 666k	R 1 063k	R 659k	R 854k	R 1 427k
Professionally qualified and middle management	No. of employees	33 621	9 724	11 109	66 830	22 705	8 870	6 628	37 048	196 535
	Average remuneration	R 691k	R 507k	R 523k	R 779k	R 805k	R 559k	R 428k	R 854k	R 784k
Skilled technical and lower management	No. of employees	229 467	48 339	27 800	136 788	141 166	38 019	20 186	93 808	735 573
	Average remuneration	R 221k	R 180k	R 192k	R 227k	R 294k	R 231k	R 169k	R 205k	R 240k
Semi-skilled and discretionary decision making	No. of employees	565 729	75 798	24 510	48 482	281 571	86 798	23 341	64 298	1 170 527
	Average remuneration	R 145k	R 169k	R 104k	R 145k	R 233k	R 89k	R 92k	R 177k	R 220k
Unskilled and defined decision making	No. of employees	379 934	36 843	5 986	6 365	189 901	35 633	3 395	3 056	661 113
	Average remuneration	R 60k	R 66k	R 76k	R 112k	R 112k	R 46k	R 43k	R 45k	R 104k

Table 6.2: Income differentials in terms of race and gender

The data, despite it being questionable, does confirm that Whites and Indians on average generally tend to earn the highest amounts at nearly every level and Africans and Coloureds on average generally tend to earn the lowest at nearly every level.

7. General observations and concluding remarks

White males continue to dominate the top echelons in the private sector followed by White females and the Indian population. Africans and Coloureds continue to languish at the bottom with a few Africans sprinkling on top. Data also shows that even in the disability group White people are still being disproportionately preferred.

Had the private sector been reported exclusively, the picture as painted in the paragraph above would have been looking far worse. The inclusion of the State Owned Enterprises data positively influenced the final result. This misrepresentation will not be repeated in the next report.

A striking revelation on **Table 3** is data that shows that Africans constitute the majority in the professionally qualified and skilled category; however this majority is not carried through proportionately to the higher levels. Needless to mention that this anomaly fuels the claims from certain segments of the society that believe that racism is still reigning supreme and is the biggest factor that continue to deny Africans and Coloureds their deserved positions in the corporate world. It is also worth noting that **Table 3** constitutes an independent confirmation of the 2008 HSRC research on skills supply that had a telling concluding statement, “there is very little merit in the assertion that “they [qualified Blacks and females] were not out there”.”

For the first time this year, government departments were reported separately. Contrary to the pre-election claims that the so-called minority groups (Whites, Indians and Coloureds) were underrepresented, data shows that in fact these groups either approximate or exceed their EAP representation at senior and top levels in government. Government should now focus its attention more to the qualitative aspects to ensure true and sustainable empowerment.

The plethora of transformation charters continue to cause a distraction in the implementation of this Act. Companies continue to worship the immeasurable spirit of the law over the measurable letter of the law, resulting in the lack of demonstrable and tangible transformation beyond statements of intent and strategic plans.

Key recommendations

- Greater collaboration between the Commission with the relevant Chapter 9 institutions to consolidate the messaging
- Greater collaboration with NEDLAC social partners, especially big business
- Zero tolerance on defaulting companies which MUST result in prosecution
- Government MUST exercise the power in its disposal as per section 53 of the EE Act
- The fines must be escalated to 10% of turnover similar to the Competitions Commission
- Name and Shame in 2009/10 to target companies in breach individually rather than grouping the offenders and by default providing “safety in numbers” cushion
- Name and Praise for companies that show compliance with both procedural and substantive

aspects of the law.

The continued exclusion of “people of colour” in the mainstream US economy, despite them being a minority, is testimony that markets on their own are incapable of transforming society. The legislative enforcement of the Employment Equity Act is still the ONLY viable option to rationally democratise the economic emancipation of our people.

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Glossary

Commission	Means the Commission for Employment Equity (CEE)
Department	Means the Department of Labour
DG	Means the Director-General of the Department of Labour
Designated groups	Mean Black people (i.e. Africans, Coloureds and Indians), females and people with disabilities who are natural persons and:
	<ul style="list-style-type: none"> • are citizens of the Republic of South Africa by birth or descent; or
	<ul style="list-style-type: none"> • are citizens of the Republic of South Africa by naturalisation before the commencement date (i.e. 27 April 1994) of the interim Constitution of the Republic of South Africa Act of 1993; or
	<ul style="list-style-type: none"> • became citizens of the Republic of South Africa from the commencement date of the interim Constitution of the Republic of South Africa Act of 1993, but who, not for apartheid policy that had been in place prior to that date, would have been entitled to acquire citizenship by naturalisation prior to that date.
Foreign nationals	Are those natural persons who are not citizens, or are those who received their citizenship after 26 April 1994 and their descendents.
Small employers	Are those designated employers who employ less than 150 employees.
Large employers	Are those designated employers who employ 150 or more employees.
EAP	The Economically Active Population (EAP) includes people from 15 to 64 years of age who are either employed or unemployed and seeking employment.
NEDLAC	National Economic Development and Labour Council.