

# Forget BEE: our real wealth is in knowledge capital

 By [Paddy Hartdegen](#)

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I never know whether it's safe to trust opinions or commentaries from unions in South Africa because I always suspect that there is probably a hidden agenda somewhere.

Maybe it's my natural suspicion of all spin-doctors, public relations commentators or statements carefully prepared and selectively released from companies.

So when Solidarity says that black economic empowerment initiatives are damaging South Africa, I immediately wonder whether such a claim is purely aimed at getting more union members employed. Or making sure that their members are represented within the respective companies.

Who could blame them if that's what they wanted.

The only thing that gets me down is why a union or any organisation starts with a premise that is obvious, and then doesn't expand and develop it at all.

## Weighing up the BEE pros and cons

I don't think many people would question the fact that BEE initiatives have damaged the country over the past 19 years - damaged it at least in terms of service delivery, efficiency and productivity. At the same time, though, BEE has also created enormous levels of wealth and value for other people who, until 1994, were seriously disadvantaged too. Can we say it's been a failure? Not in terms of wealth creation, opportunities or personal advancement.

Kgalema Motlanthe points out in the book about him by Ebrahim Harvey that when the African National Congress came to power in 1994, the people in the public service had no experience or knowledge of running a country and they did a lot of it very badly.

He admits that mistakes were made and there were many of them.

I suspect we all know this - but we must acknowledge that in certain ways, enormous progress has also been made - so let's skip this political rhetoric entirely.

## Decreasing our knowledge capital

Let's look beyond the obvious and take our reasoning from there. The most serious loss to South Africa that resulted from BEE initiatives, was the erosion of our knowledge capital. The knowledge, expertise and experience tied up inside every 40-plus worker is enormous, valuable and only replaceable at an extreme cost.

For knowledge is value. Not the reward for using that knowledge. If South Africa has ever wasted its resources then the most wasteful examples lie in the misuse of knowledge, experience and expertise that are fundamental to the country's knowledge capital.

Clearly, every person's knowledge lost to the system - in terms of BEE initiatives - represented retrogression in one or other small way.

So, instead of moving forwards, the country was moving backwards because the knowledge or experience was lost.

And that alone eroded the knowledge capital that had taken decades to build.

## **Growing stronger with BEE**

The previous BEE programmes were all based on poverty alleviation - or if you prefer wealth creation. But's that's not what South Africa needed then or what South Africa needs now. We need knowledge, experience and expertise - because that's got real value. So today in any, and every field you find a consistent moan about "skills shortages" or "a lack of management expertise" or more simply, "no experience".

And that's the real point.

So I would much rather see a focus on knowledge sharing and mentorships than a programme of wealth creation through skewed tendering processes, which are aligned with one group or another.

Some organisations appear to share my views: the South African Institute of Electrical Engineers has programmes aimed at mentoring workers; a retired teacher has started a programme to encourage retired teachers to return to schools and share their teaching experiences with younger teachers and, more importantly, students.

We have government representatives suggesting that people who were previously employed by the public service - and opted for voluntary severance packages - reconsider their current positions and reapply for the jobs so they can share their skills and experiences.

## **Knowledge has real value**

Take away the political fudging and 'slush', and you see the common factor: knowledge is power and knowledge has value. Real value.

What I would like to see - from companies, voluntary organisations and unions - is a much more productive and sensible use of the reservoir of skills, which are locked up inside the experienced unemployed who are working part time as consultants and living on their hard-earned nest eggs.

These are the people that we need to bring into the fold for proper service delivery, proper financial controls, clean audits and better government. More importantly, it is those skills and experiences we need in the workplace: older people teaching younger people how to do the job properly.

That's actually what all unions, all companies and all interest groups should be working towards.

ABOUT PADDY HARTDEGEN

Paddy Hartdegen has been working as a journalist and writer for the past 40 years since his first article was published in the *Sunday Tribune* when he was just 16-years-old. He has written 13 books, edited a plethora of business-to-business publications and written for most of the major newspapers in South Africa.  
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