

# 'Scrap B-BBEE to boost growth'

**UNEMPLOYMENT:** 'CAN BE CUT TO 10% IN 10 YEARS'

➔ **Institute of Race Relations maps way forward for ANC on road to prosperity.**

Eric Mthobeli Naki

**F**or South Africa's economy to grow and unemployment to be reduced to below 10% within a decade, the ANC's national democratic revolution (NDR), broad-based black economic empowerment (B-BBEE) and "damaging" labour laws, must be scrapped, according to the Institute of Race Relations (IRR).

It said "damaging" B-BBEE should be replaced with race-neutral and effective "economic empowerment for the disadvantaged" in line with the constitution and to reward contribution.

This would shift the unemployment rate from the current 33.2% to less than 10% in 10 years, the IRR report said.

The path to achieving this is for the government of national unity (GNU) to make economic growth its priority, which must involve identifying obstacles and acting to remove them.

This was the theme of the report titled *The IRR's Blueprint for Growth: Generating Jobs and Skills* announced yesterday.

The report, by IRR head of policy research Anthea Jeffery, said the unemployment rate could be reduced to less than 10% within 10 years. "We need a stronger

government that will cut damaging policies away. We need to deal with the crisis of unemployment. Ideally, we need to get to a stage when the ANC is cut down to size."

She proposed the scrapping of the ANC policies of national democratic revolution and B-BBEE. The NDR is "not what a great majority of South African people want", she added.

South Africa needs to generate roughly 900 000 net new jobs a year against only about 240 000 net new jobs a year in the past 20 years under the ANC.

The report noted how the GNU, despite repeatedly promising to boost growth and reduce unemployment, had made little progress, with the economy growing by "an anaemic" 0.1%, down from 0.4% in the fourth quarter of 2024.

The report highlighted the link between diminishing growth and rising joblessness, which stood at 33.2% in the second quarter of 2025, up from 32.9% in the first quarter. This represented a 13-percentage point increase over the 20% rate in 1994.

The main barriers to job creation are "damaging labour laws, harmful state interventions in labour-intensive sectors and poor skills and productivity", said Jeffery.

The GNU should start rolling back labour laws that price the unskilled out of the labour market and make warranted

retrenchments and dismissals inordinately difficult to implement, she added.

As an interim measure, the GNU should allow all employers to pay entry-level employees the same hourly rate as the state does under the Expanded Public Works Programme.

"Second, it should permit jobless people to opt out of the protection of labour laws for several years while they build up work experience. Employers should also be allowed to dismiss or retrench in keeping with agreed notice periods in contracts."

Asked about the chances of special economic zones (SEZ) succeeding as currently implemented, Jeffery said SEZs were successful in China, which designed the areas to attract foreign investors. But it was best to allow the free market to operate in the SEZs, which should be exempt from labour laws.

Sectors with the capacity to absorb large numbers of unskilled workers should be free from damaging state intervention and aided to expand, she added.

The report cited agriculture as an example, in which production had doubled since 1994 and which has the capacity to grow by 15% to 30% if various constraints are overcome.

Jeffery said the costly and wasteful 21 Sector Education and Training Authorities should be scrapped. - [erien@citizen.co.za](mailto:erien@citizen.co.za)

**NDR is not what great majority of South Africans want**