

Actualising Empowerment

Black Economic Empowerment (BEE) stands to lose some ground as a result of the gimmickry that surrounds the current strike in the public sector.

The ongoing stalemate over salary hikes is likely to claim a lot of small and micro enterprises. These are supposed to benefit from preferential procurement, since government departments and other organs of state are expected to procure goods and services from black businesses, especially small ones... Save BEE in the SME Sector…Resolve the Strike

As public servants battle their employer, the state, for more money, small and medium enterprises (SMEs) are bound to battle to get their money for work done or goods delivered.

The old saying in business goes: turnover is vanity, profit is sanity and cash-flow reality! Without cash, many a profitable enterprise go bankrupt. Cash in the bank pays wages, settles the rates bills, tops up airtime and pays for the taxi ride. These are indispensable for the small enterprises.

Without cash, a small enterprise – unlike their larger counterparts – is left stranded almost immediately. Banks do not like customers with empty pockets. Goodness knows, a public servant on strike cannot be relied upon to process payments.

It is hard to judge whether or not the strike will be resolved soon enough or not; but many enterprises will certainly be squeezed by two weeks of unpaid invoices.

Government is generally tardy in the payment of invoices. Records get stored sloppily, and one often has to follow up repeatedly to get their money. Sure, they pay eventually - but just too often too late for most of their suppliers.

Several SMEs are going to be so desperate they might as well embark on a sympathy strike to facilitate a settlement so that there is somebody at the government offices to handle their queries. The problem is: they cannot afford to be away from their businesses for an hour, let alone toyi-toyi for the upward adjustment somebody else’s pay. Like the survivors that they are, they will soldier on. The innate quality of an entrepreneur is that they make a plan.

As for small black enterprises, the strike will surely affect not only the SMEs, but the many dependants of those who own them. Black people, especially with an entrepreneurial streak, feed a more mouths than just their immediate families. R20,000 in debtors is not an asset; it could actually signify a death knell for the nephews and nieces of entrepreneurs – if only for a couple of days; and this strike looks set for a long stretch.

The same indecision that normally leads to slow payment of invoices is paralyzing the one sector of the economy that has the least to do with the problem of deplorable working conditions in the public service. It is sad that the small guy always gets hit by the mucky sputter from skirmishes that could have been avoided in the first place. To government officials involved in the ping-pong, so much for commitment to BEE!