



| SOLIDARITEIT

RACE REGULATIONS: IMPACT STUDY

'RACE TO THE BOTTOM'



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Sectors and abbreviations

The race regulations use 18 sectors – for readability, the respective sectors are abbreviated in the report. Below is a table indicating which abbreviation refers to which broader sector for reference purposes.

Abbreviation	Full Sector
Accommodation and Food	Accommodation and Food Service Activities
Administrative Support	Administrative and Support Activities
Agriculture	Agriculture, Forestry & Fisheries
The Arts	Arts, Entertainment and Recreation
Construction	Construction
Education	Education
Electricity	Electricity, Gas, Steam and Air Conditioning Supply
Financial	Financial and Insurance Activities
Health	Human Health and Social Work Activities
Information	Information and Communication
Manufacturing	Manufacturing
Mining	Mining and Quarrying
Professional	Professional, Scientific and Technical Activities
Public sector	Public Administration and Defence; Compulsory Social Security
Real Estate	Real Estate Activities
Transport	Transportation and Storage
Water	Water Supply, Sewerage, Waste Management and Remediation Activities
Wholesale	Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles

Table 1 - Abbreviation Reference

Introduction

“We do not, however, want to become a nation of groups all walking around with calculators doing head counts and demanding special programmes for this group or that.” – ANC Policy Document on Affirmative Action and the New Constitution¹

In the policy document in defence of employment equity the ANC’s own policy document makes it clear that the last thing we want with such legislation is to be a nation constantly walking about with pocket calculators counting skin colour.

With the publication of the latest sectoral targets, this ANC policy document seems to have been prophetic in its prediction.

If the Minister of Employment and Labour gets her way, this is precisely how South Africa should be – a nation where we only focus on the composition of the workforce rather than focussing on really creating prosperity through economic growth.

Policies are judged on the basis of outcomes and not intentions. The consequences of employment equity are that an entire government department annually issues reports on the racial composition of the workforce while they are not nearly as concerned about the fact that overall unemployment has increased by more than 50% (13 percentage points) during the past 15 years.

Under this legislation black unemployment, in particular, has increased from 27% to 37% since 2008.

Despite these facts the Minister of Labour has once again intensified government intervention in the labour market on the basis of race with the publication of the latest race regulations in April 2025.

This report looks briefly into the possibilities companies have of meeting the minister’s figures – either by growing into them or by replacing existing employees.

¹<https://www.anc1912.org.za/policy-documents-1994-affirmative-action-and-the-new-constitution/>

Executive Summary

The latest race regulations, published in April 2025 by the Minister of Employment and Labour, stipulate new sectoral targets for employment equity. The regulations require that companies in all sectors adjust their workforce according to specific figures based on race and gender. These figures must be achieved within five years, either through natural growth in appointments or through the replacement of existing staff, or through a combination of the two. If companies do not comply, substantial fines can be imposed – up to 10% of turnover.

In order to achieve the targets purely through growth, an average growth of 38% growth must be achieved across all sectors in the next five years. Sectors such as agriculture, construction, electricity supply, professional services, public administration, and water, sewage and waste management must all more than double in five years in order to meet the minister's figures purely through growth.

The Commission for Employment Equity (CEE's) annual reports, however, show that there has been virtually no net growth in formal sector employment during the past decade. As a result, it is unrealistic to achieve the minister's figures through growth alone. According to calculations, adjustment of the targets would rather require replacement in most sectors and at most job levels – meaning that employees would have to be replaced based on their race or gender.

Sector	Designated Group			Non-Designated Group
	Male	Female	Total	
Accommodation and Food	6 247	-3 655	2 592	-286
Administrative Support	-3 563	6 609	3 046	-1 779
Agriculture	3 326	5 534	8 860	-7 088
The Arts	29 425	-32 462	-3 037	3 748
Construction	-5 338	14 847	9 509	-6 811
Education	69 229	-65 004	4 224	2 642
Electricity	213	4 688	4 901	-4 334
Financial	44 928	-35 108	9 820	-4 710
Health	75 326	-76 338	-1 012	4 047
Information	8 277	6 273	14 550	-9 348
Manufacturing	431	22 729	23 161	-15 858
Mining	-7 169	15 332	8 164	-4 499
Professional	8 468	-3 557	4 911	-3 226
Public sector	-13 483	19 503	6 020	-5 715
Real Estate	913	-753	159	89
Transport	-6 117	11 954	5 836	-3 385
Water	-152	1 338	1 186	-966
Wholesale	19 505	-3 498	16 007	-12 317
Total	230 465	-111 568	118 897	-69 796

Table 2 – All job levels replaced

The data show that:

- Approximately 70 000 persons in the non-designated group (white males) will have to be replaced at all job levels to achieve the minister's targets.
- More than 111 000 females of all races, mostly in education and in health, will also have to be replaced to align employment figures with the minister's figures.
- The job levels most affected are not at top or senior management level, but at the professionally trained and skilled levels – it is therefore mainly middle-class workers who will be hit hardest.

The report further shows that the regulations deliberately deviate from the 2023 Settlement Agreement reached between Solidarity and the Department of Labour. The obligations that were laid down then – such as a ban on the termination of employment for the purposes of employment equity – are not contained in the new regulations. Moreover, the economically active population (EAP) is now used as primary criterion, despite the Settlement Agreement's requirement for a holistic approach.

Even if every person in the non-designated group (white males) were to be replaced by an unemployed black person, black unemployment would come down by 0,3 percentage points, from 36,98% to 36,64%.

At the core of the problem is not that the minister's figures simply need adjustment, but that the government's excessive intervention in the labour market is fundamentally wrong and economically untenable. South Africa simply can no longer afford this policy.

Methodology

Definitions

As the report deals with the new race regulations, the definitions as contained in those regulations are used. Specifically pertinent is the definition of Designated Group.

According to the Employment Equity Act (No. 55 of 1998) the definition of Designated Group is as follows:

“Designated groups mean black people, women and people with disabilities who are citizens of the Republic of South Africa by birth or descent, or became citizens of the Republic of South Africa by naturalisation: before 27 April 1994 or after 26 April 1994 and who would have been entitled to acquire citizenship by naturalization prior to that date but were precluded by apartheid policies.”²

In practical terms, this means that all citizens of South Africa, with the exception of white males without a disability, fall within the designated group.

Growth

First, the growth each sector would have to show in order to meet the sectoral target without having to replace anyone is calculated. This is done by taking the existing employment of the designated group and the non-designated group in the

sector, as obtained from the CEE's 24th annual report.

Then the number of employees in other groups in the sector and job level who would have to be added for the sector and job level to represent the minister's percentage, is calculated.

Where it would be necessary for growth to be negative, it is simply replaced with a 0% growth. This indicates that the group in question is already underrepresented at that specific job level in the sector – therefore, growth in the other groups will not be able to increase representation.

Replacement

Replacement is calculated in a similar manner to how growth is calculated per sector. Existing employment of the designated group and the non-designated group is first obtained from the Commission for Employment Equity (CEE's) 24th annual report.

Then the number of existing employees in the sector and job level who will need to be replaced so that the sector and job level represent the minister's percentage, is calculated.

²<https://www.labour.gov.za/DocumentCenter/Forms/Employment%20Equity/EEA%203.pdf>

Background

The Solidarity Settlement Agreement

This is not the first time that the Department of Employment and Labour has published sectoral targets for the labour market. Sectoral targets have also been published in 2023. These targets led to great dissatisfaction with the Department, which eventually reached a settlement with Solidarity through CCMA mediation.³

Solidarity's settlement agreement with the Department of Employment and Labour determined various aspects concerning sectoral targets.

Firstly, it determines that the Department of Labour may not simply use the economically active population (EAP) to set sectoral targets. Several other factors – including the pool of available skills, the inherent requirements of the job, natural staff turnover and promotion and employment trends in the workplace – must also be taken into account.

Secondly, the settlement determines that a business may have various justified reasons for not meeting the Department of Labour's sectoral targets. Similarly, it stipulates that no penalty or fine may be imposed on a company that can provide a justified reason for its non-compliance.

It further stipulates that no person's employment may be terminated as a result of the application of the Act. In short – no one may be retrenched in order to achieve employment equity targets.

Deviation from the settlement

With the publication of the latest sectoral targets the Department of Employment has materially deviated from the initial settlement and subsequent court order.

³<https://www.gov.za/news/employment-and-labour-solidarity-trade-union-settlement-agreement-28-jun-2023>

Referring to the EAP (economically active population) statistics

The settlement agreement⁴ sets out a holistic approach in which the EAP is one factor that needs to be taken into account. However, the new regulations⁵ set it as the primary or sole guideline for compiling a business's EE objectives:

- **Regulation 8(5)(a):**

- (5) When a designated employer conducts the analysis required by section 19 of the Act, the employer may refer to –
- (a) **EEA8**, a guide on the applicable national and regional economically active population (EAP); and

- **Regulation 8(6):**

- (6) A designated employer must record on the **EEA12** template whether it is using the national or regional EAP as a basis for conducting its analysis in terms of section 19 of the Act.

- **Regulation 9(5):**

- (5) When developing EE Plans and setting annual numerical targets in their workplaces in terms of Section 20(2) of the EEA, designated employers must take into account -
- (a) their workforce profile,
- (b) the relevant 5-year sectoral numerical targets; and
- (c) the applicable EAP.

⁴<https://www.mfp.co.za/wp-content/uploads/2023/07/EE-DOL-Solidarity-settlement-agreement.pdf>

⁵<https://www.labour.gov.za/DocumentCenter/Regulations%20and%20Notices/Regulations/Employment%20Equity/Administrative%20Regulations%20Gazette.pdf>

- **Regulation 9(8)-9(12):**

- (8) The 5-year sectoral numerical targets set in terms of section 15A(2) of the Act are key milestones towards achieving the equitable representation of the different designated groups within the four upper occupational levels in an employer's workforce in relation to the demographics of the applicable EAP, and for persons with disabilities.
- (9) When determining their Annual EE targets towards achieving the 5-year sectoral numerical targets, a designated employer must set numerical targets for all designated groups in each of the four upper occupational levels in relation to the applicable sector targets and EAP, and for persons with disabilities.
- (10) A designated employer must avoid perpetuating the over-representation of any group if their representation exceeds the applicable EAP in a particular occupational level.
- (11) A designated employer that has exceeded the numerical target set for a particular designated group at an occupational level should continue to set targets that maintain compliance with the EAP.
- (12) Designated employers must set numerical goals and annual EE targets at the semi-skilled and unskilled occupational levels in their EE Plans in terms of Section 20(2) of the EEA, taking into account the applicable EAP.

- **Annexure EEA8:**

Statistics South Africa provides demographic data using Quarterly Labour Force Surveys (QLFS) from time to time. The Quarterly Labour Force Surveys provide statistics on the national and provincial Economically Active Population (EAP) in terms of race and gender. Designated employers are required to use the Labour Force Survey of the third quarter for employment equity (EE) purposes when conducting an analysis (Section 19), preparing and implementing an EE plan (Section 20) and when reporting (Section 21) to the Department in terms of the EE Act, 1998 as amended.

Designated employers operating in more than one province must consider the nature and geographical area of their operations and adopt either the national or regional EAP for conducting an analysis, preparing an EE plan and reporting to the Department.

Designated employers who operate in more than one but whose operations are predominantly in one province may choose the EAP of the province where their operations are dominant.

Employers using the national EAP, or the EAP of a province in which the major part of its operations are, must nevertheless have regard to variations between the EAPs of different provinces when setting targets to achieve equitable representation of employees from designated groups in all occupational levels.

This information is reviewed annually, and also made available in the Commission for Employment Equity (CEE) Annual Reports, which may be accessed from the Department of Employment and Labour website:

www.labour.gov.za

- **Annexure EEA12 (iii):**

- (iii) Designated employers operating in more than one province must consider the nature and geographical area of their operations and elect to adopt either-
 - (a) the national EAP;
 - (b) the provincial EAP for each of the provinces in which they operate;
 - (c) the provincial EAP of the province where the largest part of their operations is conducted.

- **Annexure EEA 12 (2):**

2. WORKFORCE PROFILE ANALYSIS

Section 19(2) of the EEA requires designated employers to conduct a workforce profile analysis of each occupational level in order to determine the degree of under-representation of the various population groups in the different occupational levels.

Designated employers must use the relevant Economically Active Population (EAP) and the 5-year sector targets that have been set in terms of Section 15A of the Employment Equity Act as amended and its regulations in terms of population group, gender and for employees with disabilities when conducting a workforce profile analysis to determine the under-representation.

- **Annexure EEA13 (c)(ii):**

- c) The employer must consult and attempt to reach consensus on the development of the EE Plan (EEA13) by taking the following into account-
 - (i) Analysis report (EEA12).
 - (ii) National or Provincial Economically Active Population (EAP)
 - (iii) Determining the duration of the EE Plan.
 - (iv) Determining the annual objectives of the EE Plan.
 - (v) Corrective measures/ Affirmative Action measures formulated, including goals and targets.
 - (vi) Time frames established.
 - (vii) Determine the monitoring procedures of the implementation of the EE Plan.
 - (viii) Determine the internal procedures to resolve any dispute about the implementation of the EE Plan.
 - (ix) Resources identified and allocated for the implementation of the EE Plan, including senior managers responsible for monitoring the implementation of the EE Plan.
 - (x) The EE Plan must be communicated to all employees.

Criteria for drafting an EE Plan:

The settlement document specifies the criteria that must be taken into account when the EE objectives are determined, and the EE plan is drafted. While these are contained in the settlement agreement, the regulations contain key changes:

- Regulations 9(3) to 9(5) include factors the employer must take into consideration (which have not been agreed upon in the settlement agreement).

9.	Duty to prepare and implement an Employment Equity Plan (EE Plan)
(1)	Designated employers must prepare and implement an EE Plan for the period from 1 September 2025 until 31 August 2030.
(2)	Employers who become designated employers, after 1 April 2025, must prepare an EE Plan for the remainder of the period until 31 August 2030.
(3)	A designated employer must refer to the relevant Codes of Good Practice issued in terms of section 54 of the Act when preparing an EE Plan contemplated in section 20 of the Act.
(4)	The EE Plan must contain, at a minimum, all the elements contained in the EEA13 template of these regulations.
(5)	When developing EE Plans and setting annual numerical targets in their workplaces in terms of Section 20(2) of the EEA, designated employers must take into account -
(a)	their workforce profile,
(b)	the relevant 5-year sectoral numerical targets; and
(c)	the applicable EAP.

- Regulation 9 (6) contains a clear change from “**must** be taken into account” to “**may** take into account.” [The change, as well as how the settlement agreement reads, is emphasised in bold.]
- Regulation 9(6)(a) uses the words “**particular** job” instead of “**the** job” as it appears in the settlement agreement. [This change, as well as how the settlement agreement reads, is emphasised in bold.]
- The phrase in Regulation 9(6)(c) differs from the wording in the settlement agreement by containing words that are not in the agreement (indicated in bold here below):

the **formal** qualifications, **prior learning**, **relevant** experience or capacity to acquire, within a reasonable time, the ability to do the job, **as contemplated in sections 20(3) to (5) of the Act;**

The reference to “skills” in the settlement agreement has been omitted, and “**and** capacity ...” has been changed to “**or** capacity”.

- (6) In addition to the factors listed in sub-regulation (5), a designated employer may take into account any of the following to the extent that they are consistent with the purpose of the Act –
- (a) the inherent requirements of a particular job;
 - (b) the pool of suitably qualified persons;
 - (c) the formal qualifications, prior learning, relevant experience or capacity to acquire, within a reasonable time, the ability to do the job, as contemplated in sections 20(3) to (5) of the Act;
 - (d) the rate of turnover and natural attrition within the workplace; and
 - (e) recruitment and promotional trends within a workplace.

- **Regulation 9(7) includes factors employers must take into account (which were not agreed to in the settlement).**

- (7) A designated employer must –
- (a) comply with the numerical targets set in terms of section 15A(3) for the economic sector in which they operate;
 - (b) refer to the Ministerial notice issued in terms of section 15A and **EEA17** to the regulations to determine the sector they operate in; and
 - (c) if it operates in more than one sector, apply the numerical targets for the sector in which the majority of their employees are engaged.

Justifiable grounds for non-compliance with EE objectives

Justifiable grounds for not achieving EE targets are contained in the regulations, but with amendments.

- Regulation 16(5) contains a clear change from “... **may include**” to “not complying with the targets **are** ...” [The amendment is indicated in bold.]
- The wording in Regulation 16(5)(c) differs from the wording in the settlement by containing words that are not in the settlement (indicated in bold):

insufficient target individuals from designated groups with relevant **formal** qualifications, **prior learning, relevant** experience **or capacity to acquire, within a reasonable time, the ability to do the job, as contemplated by sections 20(3) to (5) of the Act;**

The reference in the settlement to “skills” has been omitted.

- Regulation 16(5)(d) contains a change from “CCMA awards/Court Order” to “**the impact of a** CCMA award or court order”. [The change is indicated in bold.]
- Regulation 16(5)(g) contains a change that may also cause a change in meaning. The settlement refers to “Impact **on** Business Economic circumstances” which changes to “the impact **of** economic conditions **on** the business” in the regulation. [Changes in bold]

- (5) Justifiable reasonable grounds for not complying with the targets are -
- (a) insufficient recruitment opportunities;
 - (b) insufficient promotion opportunities;
 - (c) insufficient target individuals from designated groups with relevant formal qualifications, prior learning, relevant experience or capacity to acquire, within a reasonable time, the ability to do the job, as contemplated by sections 20(3) to (5) of the Act;
 - (d) the impact of a CCMA award or court order;
 - (e) a transfer of a business;
 - (f) mergers or acquisitions; and
 - (g) the impact of economic conditions on the business.

Omission of provisions of the Settlement Agreement

The last provision in the settlement, stating that no one may be retrenched or replaced as a result of employment equity, does not appear in the new regulations.

- g) No employment termination of any kind may be effected as a consequence of affirmative action.

Growth

First the possibility of the economy simply growing into the new racial targets is considered. What growth percentage would be required to achieve the minister's targets for racial group, sector and job level is simply calculated.

Top management

Sector	Designated Group			Non-Designated Group
	Male	Female	Total Designated	
Accommodation and Food	-	-	-	13%
Administrative Support	-	-	-	21%
Agriculture	-	-	-	6%
The Arts	-	-	-	20%
Construction	-	-	-	13%
Education	-	1%	-	10%
Electricity	-	-	-	13%
Financial	-	-	-	21%
Health	-	-	-	25%
Information	-	-	-	11%
Manufacturing	-	-	-	8%
Mining	-	-	-	11%
Professional	-	-	-	12%
Public	4%	-	-	77%
Real Estate	-	-	-	14%
Transport	-	-	-	17%
Water	-	-	-	67%
Wholesale	-	-	-	10%

Table 3 – Growth: Top management

As can be seen, most sectors will have to show substantial growth in order to bring the percentage of the non-designated group (white males) in line with the minister's figures. Although top management level usually receives attention when employment equity figures are discussed, it should be realised that this level comprises only 0,8% of the total labour force. Therefore, only 1 out of every 125 employees is at this job level.

Sectors such as Public Administration as well as Water will have to grow by 77% and 67% respectively in the next five years to meet the minister's figures.

Senior management

Sector	Designated Group			Non-Designated Group
	Male	Female	Total Designated	
Accommodation and Food	-	2%	-	8%
Administrative Support	-	-	-	41%
Agriculture	-	-	-	13%
The Arts	-	-	-	48%
Construction	-	-	-	15%
Education	-	12%	-	-
Electricity	-	-	-	49%
Financial	-	-	-	19%
Health	-	28%	-	2%
Information	-	-	-	9%
Manufacturing	-	-	-	16%
Mining	-	-	-	17%
Professional	-	-	-	27%
Public administration	-	-	-	174%
Real Estate	-	6%	-	-
Transport	-	-	-	43%
Water	2%	-	-	60%
Wholesale	-	-	-	24%

Table 4 – Growth: Senior management

Although much is made of the targets for senior management, it should be borne in mind that this job level only covers approximately 2% of the labour market.

Here one can see that the growth required per sector is becoming substantial though. What is interesting is that signs are beginning to show that substantial growth is needed in certain sectors in order to bring female representation in line with the minister's figures. The Health sector, as well as the Education sector must grow by 28% and 12% respectively in order to bring female representation in line with the minister's figures.

Again, several sectors will have to grow substantially in order to bring the representation of the non-designated group (white males) in line with the minister's figures. The sectors that need to show most growth are Public Administration (174%), Water (60%), Electricity (49%) as well as the Arts (48%).

Professionally trained

Sector	Designated Group			Non-Designated Group
	Male	Female	Total Designated	
Accommodation and Food	-	9%	-	-
Administrative Support	-	-	-	146%
Agriculture	-	-	-	33%
The Arts	-	13%	-	-
Construction	-	-	-	40%
Education	-	22%	-	-
Electricity	-	-	-	303%
Financial	-	11%	-	13%
Health	-	55%	-	-
Information	-	-	-	23%
Manufacturing	-	-	-	33%
Mining	-	-	-	32%
Professional	-	4%	-	19%
Public administration	-	-	-	184%
Real Estate	-	16%	-	6%
Transport	-	-	-	56%
Water	-	-	-	123%
Wholesale	-	-	-	74%

Table 5 – Growth: Professionally trained

The professionally trained job level takes up about 9% of the labour market. Therefore, at this level the targets already directly affect a significant part of the labour market with 1 out of 10 employees in South Africa finding themselves at this job level.

Here it can be seen that impossible growth levels have to be achieved to bring the non-designated group (white males) in line with the minister's figures. Several sectors must more than double – with Electricity having to grow by more than 300%.

At the same time, Health (55%), Education (22%), Real Estate (16%), the Arts (13%) and Finance (11%) must all increase by more than 10% in order to bring female representation in accordance with the minister's figures.

Skilled

Sector	Designated Group			Non-Designated Group
	Male	Female	Total Designated	
Accommodation and Food	-	22%	-	16%
Administrative Support	12%	-	-	-
Agriculture	-	-	-	122%
The Arts	-	49%	3%	-
Construction	23%	-	-	164%
Education	-	52%	-	-
Electricity	4%	-	-	165%
Financial	-	40%	-	24%
Health	-	68%	2%	-
Information	-	-	-	91%
Manufacturing	4%	-	-	44%
Mining	19%	-	-	22%
Professional	-	22%	-	134%
Public	15%	-	-	24%
Real Estate	-	19%	-	-
Transport	16%	-	-	8%
Water	3%	-	-	31%
Wholesale	-	7%	-	69%

Table 6 – Growth: Skilled

About 1 out of 4 employees in the labour market is at the skilled job level (25,7%). Targets at this job level affect about 2 million current employees.

The sectors that need to show the most growth in order to bring the non-designated group (white males) in line with the minister's figures are Electricity (165%), Construction (164%), Professional (134%) and Agriculture (122%).

More than a doubling is needed in all of these sectors.

Similarly, there must be growth of 40% or more in the following sectors in order to bring female representation in line with the minister's figures – Health (68%), Education (52%), the Arts (49%) and Finance (40%).

Conclusion

When considering the average growth per sector across all job levels and all sectors, then an average growth of 38% is required to bring the representation of the non-designated group (white males) in line with the minister's figures.

Especially at the professionally trained and skilled job levels at least a doubling in sectors such as electricity, gas, steam and air conditioning supply, construction, professional, scientific and technical as well as agriculture would be required.

In practice, this implies that most sectors and job levels in South Africa will not be able to achieve the minister's figures through growth alone.

Replacement

The alternative to growing into the minister's figures is to replace existing employees with employees of the right colour or gender.

According to the CEE's 24th Report, there has been virtually no growth in employment over the past decade.

Year	Employees	% Change
2014	7 018 881	-
2015	7 087 140	1,0%
2016	7 071 449	-0,2%
2017	7 299 428	3,2%
2018	7 415 876	1,6%
2019	7 332 072	-1,1%
2020	7 056 059	-3,8%
2021	7 079 355	0,3%
2022	7 215 960	1,9%
2023	7 382 213	2,3%

Table 7 – Total employees, CEE Reports⁶⁷⁸⁹

On the contrary, the total number of employees reported on in the CEE Report is below the 2018 levels.

The implication is that growth in the workforce, to enable employers to comply with the minister's figures, is something that has simply not happened during the past decade. A more realistic approach is to replace existing employees with people of the right colour and gender.

Especially with the specific omission in the new regulations of the paragraph in the settlement agreement stating that no one may lose their job as a consequence of employment equity, replacement is the more realistic option.

⁶https://www.gov.za/sites/default/files/gcis_document/201507/15-cee-annual-report-2015.pdf

⁷<https://www.abp.org.za/wp-content/uploads/2019/07/Commission-for-Employment-Equity-Annual-Report-2015-2016.pdf>

⁸<https://www.abp.org.za/wp-content/uploads/2022/06/CEE-22nd-Annual-Report-2021-2022.pdf>

⁹<https://www.labour.gov.za/DocumentCenter/Reports/Annual%20Reports/Employment%20Equity/2024/24th%20Commission%20for%20Employment%20Equity%20Annual%20Report.pdf>

Top management

Sector	% Difference				Number Difference			
	Designated Group			Non-Designated	Designated Group			Non-Designated
	Male	Female	Total		Male	Female	Total	
Accommodation and Food	39,05%	9,88%	18,00%	-11,80%	80	53	133	-89
Administrative Support	17,30%	10,81%	13,80%	-17,12%	115	84	199	-146
Agriculture	43,19%	5,04%	17,16%	-6,05%	201	50	252	-215
Arts	26,25%	5,29%	15,06%	-16,56%	69	16	85	-59
Construction	9,48%	28,38%	17,30%	-11,39%	142	299	441	-317
Education	32,98%	-1,20%	9,32%	-8,94%	94	-8	87	-36
Electricity	29,39%	9,95%	19,50%	-11,45%	58	20	78	-42
Financial	28,25%	20,37%	23,72%	-17,52%	266	259	525	-340
Health	40,66%	6,46%	17,53%	-19,86%	177	59	236	-158
Information	25,69%	13,17%	18,46%	-10,07%	238	167	405	-223
Manufacturing	21,38%	20,98%	21,17%	-7,79%	435	445	880	-441
Mining	17,13%	19,24%	18,02%	-9,72%	80	65	144	-75
Professional	26,86%	7,34%	14,20%	-11,03%	175	88	264	-158
Public	-3,75%	25,59%	7,75%	-43,62%	-22	98	76	-74
Real Estate	42,86%	10,46%	21,00%	-12,08%	29	15	44	-36
Transport	22,60%	12,88%	17,71%	-14,54%	209	120	329	-226
Water	8,56%	21,08%	13,47%	-40,21%	28	45	73	-69
Wholesale	15,52%	13,52%	14,45%	-8,70%	235	237	472	-333
					2 610	2 112	4 722	-3 036

Table 8 – Replacement: Top management

When looking at replacement at top management level, it is clear that considerable replacement needs to take place to align with the minister's figures.

Although only 3 036 in the non-designated group (white males) have to be replaced, it should be taken into account that top management only comprises 0,8% of the total employees.

What should rather be looked at is by what percentage replacement needs to take place. Then it can be seen that more than 43% of the non-designated group (white males) in Public Administration, as well as 40% in Water must be replaced in order to align the sectors with the minister's figures.

Senior management

Sector	% Difference				Number Difference			
	Designated Group			Non-Designated	Designated Group			Non-Designated
	Male	Female	Total		Male	Female	Total	
Accommodation and Food	25,48%	-1,80%	7,84%	-7,60%	294	-38	256	-80
Administrative Support	13,77%	5,27%	9,30%	-28,83%	321	137	458	-361
Agriculture	26,93%	9,63%	16,13%	-11,86%	386	229	616	-538
The Arts	18,17%	9,23%	13,34%	-32,29%	163	98	261	-200
Construction	15,61%	8,69%	12,59%	-12,72%	481	207	687	-459
Education	36,68%	-10,94%	3,41%	20,16%	395	-273	122	189
Electricity	19,99%	12,71%	16,38%	-32,68%	158	99	257	-192
Financial	20,68%	7,97%	12,86%	-16,06%	1 258	775	2 033	-1 019
Health	67,45%	-22,01%	3,65%	-2,12%	820	-666	155	-16
Information	15,69%	10,40%	12,54%	-7,87%	458	445	903	-317
Manufacturing	18,42%	11,22%	14,64%	-13,57%	1 167	785	1 952	-1 236
Mining	16,58%	17,44%	16,96%	-14,83%	290	235	525	-347
Professional	35,63%	5,96%	15,94%	-21,40%	552	182	735	-460
Public	3,79%	13,75%	8,35%	-63,52%	122	372	494	-477
Real Estate	24,25%	-6,04%	2,24%	3,51%	52	-35	18	12
Transport	30,77%	4,02%	16,93%	-29,95%	756	106	862	-718
Water	-2,07%	23,06%	7,88%	-37,45%	-23	171	148	-123
Wholesale	18,13%	7,85%	12,50%	-19,06%	958	501	1 459	-1 109
					8 609	3 330	11 939	-7 449

Table 9 – Replacement: Senior management

At senior management level, it can be noticed that greater change is increasingly needed to meet the minister's figures.

Sectors in which about a third of the members of the non-designated group (white males) will need to be replaced are Public Administration (-63,52%), Water (-37,45%), Electricity (-32,68%) and in the Arts (-32,29%).

One out of five females in senior management in Health (-22,01%) and one out of ten females in senior management in Education (-10,94%) would also need to be replaced in order to meet the minister's figures.

Professionally trained

Sector	% Difference				Number Difference			
	Designated Group			Non-Designated	Designated Group			Non-Designated
	Male	Female	Total		Male	Female	Total	
Accommodation and Food	25,23%	-8,14%	4,56%	7,09%	747	-393	355	97
Administrative Support	16,84%	1,75%	9,02%	-59,27%	1 528	171	1 699	-1 473
Agriculture	19,01%	9,47%	13,60%	-25,02%	1 256	817	2 073	-1 784
The Arts	14,90%	-11,85%	0,27%	4,84%	2 346	-2 251	95	69
Construction	8,63%	23,43%	14,45%	-28,71%	930	1 638	2 568	-1 909
Education	45,14%	-17,86%	3,90%	12,42%	8 914	-6 684	2 230	803
Electricity	12,84%	22,05%	17,09%	-75,20%	674	991	1 665	-1 479
Financial	28,44%	-9,81%	4,82%	-11,20%	8 234	-4 584	3 650	-1 521
Health	116,94%	-35,54%	1,51%	3,69%	25 426	-24 072	1 354	138
Information	20,87%	9,94%	15,08%	-18,38%	2 922	1 571	4 493	-2 333
Manufacturing	15,39%	12,84%	14,14%	-24,60%	3 295	2 623	5 918	-4 369
Mining	8,43%	22,57%	14,27%	-24,32%	693	1 308	2 001	-1 486
Professional	32,47%	-3,98%	9,17%	-15,88%	1 840	-400	1 440	-710
Public	5,41%	13,15%	8,99%	-64,81%	1 088	2 280	3 368	-3 214
Real Estate	45,22%	-13,49%	3,84%	-5,88%	265	-189	76	-35
Transport	9,21%	13,13%	11,01%	-35,70%	955	1 157	2 112	-1 767
Water	5,08%	8,11%	6,51%	-55,10%	220	316	536	-460
Wholesale	24,61%	4,06%	12,97%	-42,54%	4 414	953	5 367	-4 588
					65 750	-24 749	41 001	-26 022

Table 10 – Replacement: Professionally trained

The professionally trained job level must show substantial change in both the non-designated group (white males) and of females in order to meet the minister's figures.

In total, 26 022 people in the non-designated group (white males) must be replaced.

This involves large reductions of about 3 out of 4 in Electricity (-75,2%), as well as 3 out of 5 in Public Administration (-64,81%), Administrative Support (-59,27%) and Water (-55,1%). At the same time, 24 749 professionally trained females must be replaced in order to meet the minister's figures. Just over 1 out of 3 professionally trained females in Health (-35,54%), or 24 072, must be replaced in accordance with the minister's figures.

Skilled

Sector	% Difference				Number Difference			
	Designated Group			Non-Designated	Designated Group			Non-Designated
	Male	Female	Total		Male	Female	Total	
Accommodation and Food	47,53%	-18,20%	6,42%	-14,01%	5 125	-3 277	1 847	-213
Administrative Support	-10,54%	16,70%	0,77%	5,49%	-5 527	6 217	690	201
Agriculture	5,19%	20,05%	11,67%	-54,87%	1 483	4 437	5 920	-4 552
The Arts	68,11%	-33,08%	-2,65%	259,62%	26 846	-30 324	-3 478	3 938
Construction	-18,40%	81,49%	10,96%	-62,11%	-6 891	12 704	5 813	-4 126
Education	99,61%	-34,34%	0,78%	20,59%	59 826	-58 040	1 786	1 685
Electricity	-3,39%	25,10%	8,49%	-62,31%	-676	3 578	2 901	-2 621
Financial	70,76%	-28,53%	2,25%	-19,52%	35 169	-31 557	3 612	-1 830
Health	145,87%	-40,37%	-1,71%	150,97%	48 903	-51 659	-2 756	4 082
Information	13,33%	11,60%	12,46%	-47,54%	4 659	4 091	8 750	-6 476
Manufacturing	-4,12%	29,63%	8,38%	-30,74%	-4 466	18 877	14 410	-9 811
Mining	-15,69%	72,01%	7,68%	-17,98%	-8 231	13 725	5 494	-2 591
Professional	52,28%	-17,73%	8,07%	-57,29%	5 900	-3 429	2 472	-1 898
Public	-13,08%	22,79%	1,12%	-19,54%	-14 671	16 753	2 082	-1 950
Real Estate	31,72%	-16,14%	0,42%	18,24%	566	-544	21	148
Transport	-13,77%	33,80%	2,83%	-7,05%	-8 038	10 571	2 533	-674
Water	-2,93%	7,50%	1,82%	-23,48%	-376	806	430	-315
Wholesale	22,52%	-6,68%	6,25%	-40,82%	13 897	-5 188	8 709	-6 287
					153 496	-92 261	61 235	-33 289

TTable 11 – Replacement: Skilled

It is at the skilled job level where the minister's figures want to achieve the greatest shift in the workforce.

In order to achieve the minister's figures, 33 289 persons in the non-designated group (white males) must be replaced. This means that about 6 out of 10 non-designated persons (white males) in Construction (-62,11%), Electricity (-62,31%) and in the Professional sector (-57,29%) need to be replaced.

In addition, about half of the skilled non-designated group (white males) must be replaced in Agriculture (-54,87%) and in Information (-47,54%).

At the same time, 92 261 skilled females must be replaced in order to meet the minister's figures.

A total of 30 324 skilled females must be replaced in the Arts, 58 040 in Education, 31 557 in Finance and 51 659 in Health.

About 4 out of 10 skilled females in Health (-40,37%) and about 1 out of 3 skilled females in the Arts (-33,08%), Education (-34,34%) and Finance (-28,54%) must be replaced to meet the minister's figures.

Likewise, more than 1 out of 10 skilled men in the designated group must be replaced in Administrative Support (-10,54%), Construction (-18,4%), Mining (-15,69%), Public Administration (-13,08%), as well as in Transport (-13,77%).

Conclusion

In order to get an idea of the extent of the replacement that will need to take place to meet the minister's figures, one must look at absolute numbers at all job levels.

Sector	Designated Group			Non-Designated Group
	Male	Female	Total	
Accommodation and Food	6 247	-3 655	2 592	-286
Administrative Support	-3 563	6 609	3 046	-1 779
Agriculture	3 326	5 534	8 860	-7 088
The Arts	29 425	-32 462	-3 037	3 748
Construction	-5 338	14 847	9 509	-6 811
Education	69 229	-65 004	4 224	2 642
Electricity	213	4 688	4 901	-4 334
Financial	44 928	-35 108	9 820	-4 710
Health	75 326	-76 338	-1 012	4 047
Information	8 277	6 273	14 550	-9 348
Manufacturing	431	22 729	23 161	-15 858
Mining	-7 169	15 332	8 164	-4 499
Professional	8 468	-3 557	4 911	-3 226
Public	-13 483	19 503	6 020	-5 715
Real Estate	913	-753	159	89
Transport	-6 117	11 954	5 836	-3 385
Water	-152	1 338	1 186	-966
Wholesale	19 505	-3 498	16 007	-12 317
Total	230 465	-111 568	118 897	-69 796

Table 12 - All job levels: Replacement numbers

Taking all job levels into account, one sees that all job levels and all sectors require a total replacement of 69 796 members of the non-designated group (white males) to meet the minister's figures. In absolute numbers, Manufacturing and Wholesale are the two sectors where the most members of the non-designated group (white males) need to be replaced.

Yet, in absolute terms the non-designated group (white males) is not the group where most replacement is needed.

In order to align with the minister's figures, 111 568 females need to be replaced at all job levels and in all sectors. Especially in Health (-76 388) and in Education (- 65 004) a huge number of females of all race groups needs to be replaced.

To understand the impact – if every single member of the non-designated group (white men) is replaced by an unemployed black person, then black unemployment drops from 36,98% to 36,64% according to the narrow definition thereof.¹⁰

¹⁰https://www.statssa.gov.za/?page_id=1854&PPN=P0211&SCH=74050

Consequences

The new sectoral targets, as contained in the race regulations, once again demonstrate the absurdity of attempts to regulate the workforce centrally.

Although top management and senior management levels receive great media attention, the job levels that would be most affected are the professionally trained and skilled levels.

These job levels correspond with the C and D Bands on the Paterson Scale. It is therefore not the elite that will be hit hardest, but much rather ordinary middle-class workers.

Even the Treasury's most optimistic projections for economic growth will not see South Africa's economy growing into the targets in the next five years. Realistically, companies will therefore not be able to comply with the minister's figures by employing and promoting employees.

Given the deliberate omission of the paragraph in the settlement agreement with Solidarity regarding retrenchment of employees as a consequence of reaching employment equity targets, as well as the obligation to have to take sectoral targets into account when drafting an EE Plan leaves companies with few options.

Realistically, companies will, to some extent, have to pursue replacement if they want to comply with the minister's figures and avoid penalties.

In the rush to only pursue the economically active population as criterion, the minister completely ignored the fact that there are substantial differences between the professions that men and women pursue by choice. The result is that 75 000 female health workers and 59 000 female teachers, together with 69 000 members of the non-designated group (white males) would have to be replaced to meet the minister's figures.

What the 2025 regulations, together with the 2023 regulations show, is that the problem with employment equity is not simply a matter of the minister getting her numbers wrong. The principle of government being able to interfere to such an extent in the labour market remains fundamentally wrong and unfeasible.

The mere fact that these draconic regulations will literally, at best, bring about an improvement of a 0,3% percentage point in black unemployment, indicates that South Africa cannot redistribute its citizens into wealth.

True redress lies in economic growth. The feverish focus on the colour of those who have jobs, rather than on the millions who do not have jobs, is a policy South Africa can simply no longer afford.