

## Reflections On The Implementation Of B-Bbee In The Democratic South Africa: Lessons Learnt

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**Abstract:** South African democratic government brought about numerous affirmative action policies with the aim of transforming the economic landscape that was riddled with challenges. Such affirmative action policies included Broad-Based Black - Economic Empowerment (B-BBEE), which gave prospects of empowerment and co-ownership. The notion of (B-BBEE) brought about a lot of excitement amongst the designated groups namely the youth and women, who were previously marginalized at a larger scale, and were hoping to achieve social justice. What made (B-BBEE) more attractive was its five pillars, namely, Ownership (Direct Empowerment), Management Control (Indirect Empowerment), Skills Development, Enterprise Development and Socio-Economic Development. Therefore, the aim of this study was to reflect on the implementation of B-BBEE in the democratic South Africa to draw valuable lessons for improvement. This is because up to date B-BBEE has not achieved its purpose of transforming and empowering the marginalised individuals in society. Instead, the implementation of B-BBEE was marred by corruption and fronting as companies battled to fraudulently acquire better status that would enable them to obtain bigger projects from government. The implementation of the policy benefitted the few politically connected individuals. Thus, the question that is being asked by most South Africans is, does the country still need B-BBEE to transform the economy? What role should the companies play to close the gap between the haves and have nots? Therefore, through extensive review of literature the study arrived at the finding that companies do not play a major role in assisting government achieve economic transformation in South Africa. As a result, economic transformation has remained a slogan in many political parties that are gearing up to stay in power. The study has also concluded that a solid partnership is needed amongst all the stakeholders to uproot corruption and achieve democratic ideals of empowering the previously disadvantaged individuals. Thus, the study recommends that the improved version of B-BBEE is necessary to achieve economic transformation and empower the previously marginalized individuals.

**Keywords:** Affirmative Action, Empowerment, Economic Transformation and Democracy.

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### INTRODUCTION

South African democracy is marred by a mixed legacy of genuine change and several unfulfilled promises for black individuals. Booysen (2013) stated that South African citizens are satisfied with the fact that human rights have been achieved through democracy, they have however expressed dissatisfaction with the self-serving tendencies of government leaders and lack of accountability of government in bringing about real change and social justice through economic transformation. Turok (2018) emphasised that propagation of social justice would bring about transformation in a grossly unequal society because society will not be free from poverty and inequality if socio-economic freedom is not achieved. Thus, Lack of real transformation in the everyday lives of communities has led to high levels of despondency. This is because the triple socio-economic challenges, namely poverty, unemployment, and inequality that affect society have not been adequately addressed in the past 30 years of democracy. BusinessTech (2023) reported that the sense of hopelessness and despondency with democracy has emerged amongst South Africans.

Kunene (2017) further mentioned that existing barriers of accessing opportunities and capital for small businesses presents the South Africa freedom as a prepaid system. This exacerbates the situation as small

businesses battle to access opportunities or capital that would help them participate actively in the economy and sustain their livelihood. Thus, the call and excitement of starting small businesses has diminished with the passing of time. Instead, most youth and women are faced with a challenge of earning an income in a society that is deemed to be prepaid or money based. The money system in South Africa further dictates access to safety, better health care and services. Kunene (2017) argues that the money system was brought about by the negotiated freedom that did not address economic violence that has left South Africa as one of the highest unequal societies in the world. Thus, money has become a new segregation and barrier to freedom, with the gap between the haves and have not increasing daily..

However, it should be noted that the ideals of a free and transformed society, as propagated in 1994 elections cannot be achieved by government alone. Government needs partnerships with business, civil societies, and other relevant organisations to transform society. Business is expected to play an active role in helping government address poverty, unemployment, and inequality, through various programmes and strategies.

One of such transformation strategies which was introduced by government was the Broad-Based Black Economic Empowerment (B-BBEE). B-BBEE was housed in the Department of Trade and Industry and Competition. The Department of Trade and Industry and Competition (2024) state that B-BBEE was introduced to redress the past inequalities by transforming the economy. Thus, the B-BBEE Act no.53 of 2003 was introduced to enhance the participation of black people into the economy. The introduction of B-BBEE has had its success stories and its fallacies, hence the mixed legacy of business in South Africa. Therefore, this study has identified a knowledge gap in relation to the role that business can play in helping government implement B-BBEE to achieve economic transformation.

## 1. PROBLEM STATEMENT

There is paucity of research that investigated the reflections on the implementation of B-BBEE in South Africa with the view of providing a balanced perspectives and improvement. Most studies focused on the downside of B-BBEE without providing solutions for the proper implementation. The implementation of B-BBEE has produced mixed outcomes and reactions in society. Pike, Puchert and Chinyamurindi (2018) argue that B-BBEE has produced mixed economic outcomes that have caused economic strain and increased number of incompetent companies. In Gauteng Province alone, R600 million has been spent on delayed, abandoned or incomplete government infrastructure projects in the education and health sectors (Thorne; 2024). B-BBEE flawed companies have contributed to lack of efficient services and infrastructure in communities. Kenny (2023) maintains that BEE has destroyed the economy by giving poor communities inferior goods and services whilst failing to empower the previously marginalised individuals. The policy has enriching the elites and politically connected companies. Some individuals have waited for years for the improved living conditions and that has not happened. Ntuli (2017) also agrees that B-BBEE has benefitted the few politically connected companies whilst the rest of the public are yet to experience the true benefits of B-BBEE in addressing inequality. Bulbulia (2023) reported that B-BBEE data shows that transformation is very slow despite the country 's legacy of 30 years into democracy and 20 years of implementing B-BBEE legislation to address poverty, unemployment, and inequality. Therefore, this study focused on how B-BBEE has been implemented in the past 20 years of democracy to assist government promote democracy.

## 2. AIM OF THE STUDY

The aim of the study was to reflect on the implementation of B-BBEE in the democratic South Africa to draw valuable lessons for improvement.

### 3. OBJECTIVES OF THE STUDY

The objectives of the study were stated as follows.

- Determine the extent to which South African business has helped government implement B-BBEE successfully.
- Investigate the barriers to the implementation of B-BBEE policy in addressing the past social injustices.

### 4. RESEARCH METHODOLOGY

This article is based on the study that was conducted through qualitative approach. Thus, document analysis as a qualitative research method was conducted to develop empirical knowledge. Lumivero (2023) explained that document analysis is the research method of reviewing and evaluating documents in a systematic manner with the aim of gaining understanding, uncovering meaning, and arriving at a conclusion with the object under investigation. As a result, documents derived from computer-based information and internet transmitted knowledge were examined and interpreted to elicit meaning. Morgan (2022) reiterated that document analysis allows the researcher to collect empirical data in a low-cost way as some researchers may not have the resources or time needed to do field research. Thus, a document analysis was deemed to be essential to derive meaning and understanding of the role of business in promoting democracy in South Africa through the implementation of B-BBEE.

### 5. LEGISLATIVE FRAMEWORK

The transformation of South Africa as a democratic society is embedded on several legislation, of which of paramount importance is the Constitution of the country.

#### CONSTITUTION OF THE REPUBLIC OF SOUTH AFRICA, 1996

The Constitution of the country has the Bill of Rights in Chapter 2 and are stated as follows.

##### Rights

- This Bill of Rights is a cornerstone of democracy in South Africa. It enshrines the rights of all people in our country and affirms the democratic values of human dignity, equality, and freedom.
- The state must respect, protect, promote, and fulfil the rights in the Bill of Rights.
- The rights in the Bill of Rights are subject to the limitations contained or referred to in section 36, or elsewhere in the Bill.

##### Application

- The Bill of Rights applies to all law, and binds the legislature, the executive, the judiciary, and all organs of state.
- A provision of the Bill of Rights binds a natural or a juristic person if, and to the extent that, it is applicable, considering the nature of the right and the nature of any duty imposed by the right.
- When applying a provision of the Bill of Rights to a natural or juristic person in terms of subsection (2), a court -
  - in order to give effect to a right in the Bill, must apply, or if necessary, develop, the common law to the extent that legislation does not give effect to that right; and
  - may develop rules of the common law to limit the right, provided that the limitation is in accordance with section 36(1).
- A juristic person is entitled to the rights in the Bill of Rights to the extent required by the nature of the rights and the nature of that juristic person.

##### Equality

- Everyone is equal before the law and has the right to equal protection and benefit of the law.
- Equality includes the full and equal enjoyment of all rights and freedoms. To promote the achievement of equality, legislative and other measures designed to protect or advance persons, or categories of persons, disadvantaged by unfair discrimination may be taken.
- The state may not unfairly discriminate directly or indirectly against anyone on one or more grounds, including race, gender, sex, pregnancy, marital status, ethnic or social origin, colour, sexual orientation, age, disability, religion, conscience, belief, culture, language and birth.
- No person may unfairly discriminate directly or indirectly against anyone on one or more grounds in terms of subsection (3). National legislation must be enacted to prevent or prohibit unfair discrimination.
- Discrimination on one or more of the grounds listed in subsection (3) is unfair unless it is established that the discrimination is fair.

Therefore, the Bill of Rights ensured that all people are protected and equal before the law. This also implies that the government would safeguard equal access to opportunities to eradicate poverty. Thus, access to opportunities was to be ensured through various policies that included B-BBEE.

#### **NATIONAL DEVELOPMENT PLAN 2030**

The other strategic plan that was developed by the South African government to advance democracy is the National Development Plan.

The National Development Plan (NDP) offers a long-term perspective. It defines a desired destination and identifies the role different sectors of society need to play in reaching that goal.

The NDP aims to eliminate poverty and reduce inequality by 2030. According to the plan, South Africa can realise these goals by drawing on the energies of its people, growing an inclusive economy, building capabilities, enhancing the capacity of the state, and promoting leadership and partnerships throughout society.

The processes should be followed in the implementation of the plan:

- The NDP and its proposals will need to be implemented in the right order over the next 17 years until 2030. Three phases have been identified.
- The long-term plans of departments are aligned with the NDP, and areas are identified where policy change is required to ensure consistency and coherence.
- The NDP is a plan for the whole country. Government will engage with all sectors to understand how they are contributing to implementation, and particularly to identify any obstacles to them fulfilling their role effectively.
- The Plan will shape budget allocation over the years until 2030.
- The Plan identifies the improvement of the quality of public services as critical to achieving transformation. This requires provinces to focus on identifying and overcoming the obstacles to achieving improved outcomes, including the need to strengthen the ability of local government to fulfil its developmental role.
- Planning and implementation should be informed by evidence-based monitoring and evaluation.
- The President and Deputy President will be the lead champions of the Plan within Cabinet, in government and throughout the country. Premiers and Mayors must be visible and active champions of the Plan, with their offices being the catalytic agencies to drive implementation at provincial and municipal levels.

However, the fruits of National Development Plan and other government strategies such as black economic empowerment are yet to be realised.

### **BROAD-BASED BLACK ECONOMIC EMPOWERMENT ACT**

Broad-Based Black Economic Empowerment Act 53 of 2003 as amended by Act 46 of 2013, is an Act of Parliament which was to redress the past apartheid injustices and to.

- promote the achievement of the constitutional right to equality, increase broad-based and effective participation of black people in the economy and promote a higher growth rate, increased employment and more equitable income distribution.
- establish a national policy on broad-based black economic empowerment to promote the economic unity of the nation, protect the common market, and promote equal opportunity and equal access to government services, BE IT ENACTED by the Parliament of the Republic of South Africa.

Therefore, many South Africans were encouraged to start small businesses, especially the youth and women. Small businesses were deemed to be a vehicle that would enable the youth and women to actively participate in the economy of the country, whilst in the processes eradicate poverty. Thus, government had put in place measures and policies that would ensure equal access to opportunities so to pursue social justice.

### **SOCIAL JUSTICE THEORY**

The theoretical framework underpinning this article is social justice. Mollenkamp (2024) states that social justice is the fair and equitable division of resources, opportunities, and privileges in society. Social justice advocates for opening of doors of access and opportunities to the neediest members of society. Shava (2016) suggests that social justice is enshrined in the Constitution of the country, which seeks to improve the quality of life of the citizens.

Mollenkamp (2024) identified the following principles of social justice, namely, access, equity, diversity, participation, and human rights.

#### **Access**

Social justice theorists believe that resources and opportunities should be accessible to all citizens. Citizens should have equal access to business opportunities, employment, and other essential services. However, in South Africa most small businesses struggle to access the markets. Siwela (2019) observed that even though the South African government is trying to grow the economy through small businesses, access to markets remain a challenge, as small businesses face an enormous task of adhering to complex sustainability standards and lack of support from well established businesses.

#### **Equity**

Social justice theorists are of the opinion that government should redress the previous injustices by ensuring that the disadvantaged members of the communities are given opportunities and resources that will empower them. Stivers, Pandey, DeHart-Davis, Hall, Newcomer, Portillo, Sabharmal, Strader and Wright (2023) stipulate that social equity and social justice are concerned with promoting fairness and equality within society, but they do so differently. Social equity is more concerned with ensuring that everyone has the same opportunity to succeed, while social justice is more concerned with addressing the underlying systems and structures of oppression that contributed to inequality and injustice. South African big businesses do not play an active role in helping government achieve social justice.

### **Diversity**

Inclusivity and diversity should be encouraged at all levels of power to embrace the demographics of a particular society. Businesses should reflect the broad representation and diversity of the society that it serves. Thompson and Cusseo (2015) explained that diversity expresses itself in a multiplicity of ways, including differences in external features such as gender, sexual orientation, nationality, ethnicity, and cultural background. They further explained that diversity and social justice transform society by transforming and liberating individuals. Most South African businesses do not reflect diversity at their top management levels where strategic decisions are made.

### **Participation**

Equal participation in business opportunities and public matters should be encouraged. People should be allowed to start their own businesses whilst expressing their views on public matters that directly affect them without experiencing any form of discrimination. Mckenzie (2023) argues that apartheid in South Africa deprived communities of meaningful participation in the economy, hence B-BBEE which, sought to redress the past injustices by increasing participation into the mainstream economy through ownership, management structures and involvement of communities and employees into economic activities.

### **Human rights**

Human rights should be part and parcel of every progressive society. Thus, governments should come up with policies that promote human rights. Soken-Huberty (2024) expounded that human rights are one of the four pillars of social justice, which occurs when society is just, protects and respects everyone's rights to promote democracy and to bring about change in the lives of ordinary black South Africans.

## **6. LITERATURE REVIEW**

A legacy of change was brought about by scrapping of apartheid laws in South Africa as a form of removing oppression and exploitation. Friedman (2021) consent that the scrapping of apartheid laws, brought about significant relieve and thus, it would be untrue to state that nothing has changed under democracy. Democracy has ushered new opportunities for previously disadvantaged communities, hence a rise in several back professionals and businesses. Nevertheless, a lot still must be achieved as most members of society are yet to realise the ideals of a better life for all.

Kotze (2022) observed that South Africans have lost hope in their believe for a better life post 1994 democracy because of persistent inequality and poverty.

### **Extend to which South African business has helped government implement B-BBEE successfully**

“Business South Africa has been seen as an important catalyst for political transformation in South Africa since the 1970s and particularly towards the end of apartheid despite its complex and ambiguous role” (Wielenga, Sooliman and Gouvelis; 2021). Business South Africa contributed to a better democratic settlement between the National Party (NP) and the African National Congress (ANC). Marais and Davies (2015) agree that business South Africa become a conduit and a part of negotiations that ensued a political settlement and the state-building efforts that prevailed to this day. However, the negotiated settlement has not helped the government to address the structural inequality, systematic challenges of persistent racial and class lines in society.

Business South Africa has also contributed to the development of important and innovative pieces of legislation such as Labour Relations Act, no 66 of 1995, Basic Conditions of Employment Act, no 75 of 1997, Employment Equity Act, no 55 of 1998, Broad-Based Black Economic Empowerment Act 53 of 2003 as amended by Act 46 of 2013, and many other strategies and policies of transforming the economy and

empowering black people. Marais and Davies (2015) state that business South Africa and the community at large associate transformation to legislation and various form of Black Economic Empowerment (BEE). However, it should be noted that legislations and policies have up to date not translated into significant transformation as expected. Lack of transformation in the country has been exacerbated by a slow growing economy that is failing to create meaningful jobs and eradicate poverty. Furthermore, unemployment has been on the rise amongst young people, some of whom are trained professionals such as medical doctors, lawyers, and accountants.

Despite all the challenges facing the country, business South Africa has played a valuable role in the past by supporting democracy. Marais and Davies (2015) stated that the business community have made a valuable contribution in entrenching democracy and socio-economic reforms. Furthermore, the business community has played an important role during Covid-19 to help the government to fight the pandemic. Most businesses donated money; others donated food parcels to the communities during Covid-19 pandemic.

For example, “Old Mutual Limited pledged R50 million towards a comprehensive Covid-19 response in partnership with government, business, labour and civil society’ (Old Mutual; 2020).

Pharmacies opened their doors to assist government administer vaccines and furthermore, business made their resources available for the manufacturing of masks, which were important in the prevention of spreading the virus. Department of Health (2021) reported that pharmacies serving the local communities had joined the government in the vaccination roll out programme, which was said to be the largest public private partnership in South Africa. Businesses also cooperated with the government in observing Covid-19 laws and regulations. All these acts and many other conducts of business demonstrated the support and interest of business in upholding democracy.

Nevertheless, businesses should work more with the government to support small businesses that can grow the economy and, in the process, eradicate poverty. Siwela (2019) consent that business should work with government to support small businesses. Small businesses are recognized by many countries as playing a vital role in growing the economy. Thus, corporates should view the implementation of Black Economic Empowerment (BEE) as a prerogative and not as one of the boxes to be ticked.

### **Black Economic Empowerment**

Black Economic Empowerment as a broader concept paved a way for B-BBEE Act and its implementation in companies. It facilitated the redress of past injustices and inequalities through affirmative action. The implementation of affirmative action was enabled by legislation such as Employment Equity Act. However, Black Economic Empowerment policies have been criticized over the years for their lack of bringing about transformation in the country. Shava (2016) consented that Black Economic Empowerment policies have failed to ignite the much-needed economic transformation, and that has made the public lose confidence in the policies. The policies have also been modified from radical transformation notion and wealth redistribution to moderate narratives to appease the investors. Furthermore, government cooperated with the corporate capitalist to set acceptable empowerment targets through the implementation of B-BBEE.

### **Implementation of B-BBEE in Companies to Promote Fair Participation**

Broad Based Black Economic Empowerment (B-BBEE) is a policy and a legislative framework that provides guidance on wider participation of previously disadvantaged communities into the mainstream economy by granting them access through various procurement activities and management structures. Participation is regulated by carefully crafted weightings and targets set out in cooperation with the corporate capitalist.

Pillay, Alho and Nhlapo (2023) stated that private companies are not obliged to implement B-BBEE. However, companies are required to obtain a particular level of B-BBEE scoring level if they must do business with government or obtain certain licenses for business operations. However, State Owned Entities and other government departments are mandated to implement B-BBEE when procuring goods and services and when issuing licenses for operating purposes. Compliance to B-BBEE is measured by the scoring system and stipulated sector codes for good practice. Once the company has been evaluated against the sector codes, a verification process would take place. This process is conducted by the accredited B-BBEE verification agency that would issue the certificate of compliance, the certificate validity is one year, after which the company must apply again.

B-BBEE Commission confirmed that the verification process and activities are carried out by the verification professional or agency that assess, verify and validate the awarded score so as to issue a verification certificate.

The following is the approved B-BBEE Scorecard that is used for awarding levels in companies.

**Table 1.1. B-BBEE Scorecard**

B-BBEE STATUS	QUALIFICATION	B-BBEE RECOGNITION LEVEL
Level One Contributor	≥ 100 points on the Generic Scorecard	135%
Level Two Contributor	≥ 95 points on the Generic Scorecard	125%
Level Three Contributor	≥ 90 points on the Generic Scorecard	110%
Level Four Contributor	≥ 80 points on the Generic Scorecard	100%
Level Five Contributor	≥ 75 points on the Generic Scorecard	80%
Level Six Contributor	≥ 70 points on the Generic Scorecard	60%
Level Seven Contributor	≥ 55 points on the Generic Scorecard	50%
Level Eight Contributor	≥ 40 points on the Generic Scorecard	10%
Non-Compliant Contributor	< 40 points on the Generic Scorecard	0%

Adopted and derived form (GoLegal; 2019)

“The new B-BBEE scorecard came into effect in 2013. Although the basic principles of BEE are still intact, the elements of the scorecard, its weightings and calculations have changed a bit” (GoLegal; 2019). According to B-BBEE policy, companies are assigned scores based on various criteria such as equity ownership, management control, skills development, enterprise development and socio-economic development. Government and large corporates are thus encouraged to do business with the companies that have a high B-BBEE scores, levels, or rating; therefore, companies with higher scores are likely to benefit more.

**Benefits derived from B-BBEE**

When companies have the verification certificate, they stand a better chance of participating in government tenders and to benefit from the system. Siyaya Consulting (2023) stated that B-BBEE has many benefits for companies, employees, and communities through the following.

- B-BBEE promoted inclusion of previously disadvantaged businesses through preferential procurement. Preferential procurement prioritized the black companies in the process that created opportunities for such companies to thrive.
- Ownership equity was increased amongst blacks as more people were given the opportunity to become shareholders in companies. Employees share ownership schemes were also created in many companies.
- B-BBEE system encouraged employment equity by urging companies to take proactive steps that promoted and recruited black employees into management positions. Black management were also given opportunities for upskilling. Thus, the system created an increased number of black executives and professionals.
- Diversity and competition in business was increased through B-BBEE. This facilitated growth in many companies as diversity brought about innovation.

“According to government, ‘South Africa's policy of black economic empowerment is not simply a moral initiative to redress the wrongs of the past. It is a pragmatic growth strategy that aims to realize the country's full economic potential while helping to bring the black majority into the economic mainstream’. Therefore, it is necessary to address the systematic exclusion of Africans, Indians, and Coloured people from meaningful participation in the country's economy by the apartheid government” (Cornelius; 2023).

### **Barriers to the implementation of B-BBEE policy in addressing the past social injustices**

The implementation of B-BBEE is plagued by various challenges some of which include the following.

#### **Fronting**

Mathebula and Odeku (2023) explained that fronting is a form of window dressing whereby black people are portrayed as being part of the company management or shareholders, but there are not. In some instances, black people are appointed into managerial positions of companies, but they are barred from participating fully into economic activities of such companies or participate in meaningful decision-making processes.

Through the fronting process companies can keep people in positions to get a better B-BBEE score, whilst at the same time the company prevents people from getting the full economic benefits that are due to them. Shava (2016) reiterated that fronting is perpetuated through the cooperation of black companies that sign up as fictitious shareholders in corporates for lesser benefits. Their signing up, enables corporates to gain a better B-BBEE level or status.

Similarly, other black companies get government tenders but give contracts to established white companies to do the job for them at inflated prices so that both companies and corrupt government officials could benefit (Piper & Charman, 2018).

The Department of Trade and Industry and Competition (2024) has identified the following common practices of fronting.

- **Window-dressing:** This includes cases in which black people are appointed or introduced to an enterprise based on tokenism.
- **Benefit Diversion:** This includes initiatives implemented where the economic benefits received as a result of the B-BBEE Status of an enterprise do not flow to black people in the ratio as specified in the relevant legal documentation.

- **Opportunistic Intermediaries:** This includes enterprises that have concluded agreements with other enterprises with a view to leveraging the opportunistic intermediary's favourable B-BBEE status in circumstances where the agreement involves:
- Significant limitations or restrictions upon the identity of the opportunistic intermediary's suppliers, service providers, clients or customers.
- The maintenance of their business operations in a context reasonably considered improbable having regard to resources; and
- Terms and conditions that are not negotiated at arms-length on a fair and reasonable basis.

Therefore, fronting should be discouraged as it is not promoting democracy, address inequity or advance the ethos of empowerment. "Fronting clouds the government 's ability to track the record of B-BBEE progress towards achieving the B-BBEE objectives and renders the need to develop effective anti-fronting mechanisms inevitable (Mathebula & Odeku; 2023).

Fronting is thus a form of corruption and should be discouraged at all levels. It also makes it difficult for government to fight the ramping corruption in the country.

#### **Corruption in the B-BBEE tendering system**

Kruger (2018) argues that the abuse in the implementation of B-BBEE in the tendering system has greatly contributed to a negative impact on the macro-environment. The abuse of black economic empowerment has escalated corruption in the form of graft, fraud, looting, bribery, nepotism and self-enrichment in government and state-owned entities. State owned entities later became the center of state capture. Martin and Solomon (2016) maintain that state capture is an institutionalized corruption.

Corruption in the B-BBEE also created a phenomenon called 'tenderpreneurs' which, when explained, refers to a group of businesspeople that are highly connected and have a larger share of tenders in government. Piper and Charman (2018) further explained that tenderpreneurship is a South African colloquialism that refers to businesspeople that uses their political connection to secure government procurement contracts, often as part of reciprocal exchange of favours or benefits. The authors further stated that tenderpreneurship is associated with corruption, nepotism and clientelism. The tender system allows the corrupt government officials to biasly influence the tender process to favour a pre-selected B-BBEE company that is deemed to be eligible, ignoring many other aspects of competency.

#### **Critics leveled against the implementation of B-BBEE**

Kenny (2023) argues that the implementation of B-BBEE has been a disastrous failure in South Africa except for the political elite and should thus be abolished. Kruger (2018) also argues that black economic empowerment should be stopped because it is associated with the rot, distrust, and dysfunctionality in government.

Vandrau (2023) observed that black economic empowerment policy has failed to reconcile the social inequality in the country despite some incremental progress; that is why South Africa is deemed to be one country amongst many that has a considerable unequal society. The author further stated that the failure of black economic empowerment is partly due to the resistance of white business community.

## **7. DISCUSSIONS AND CONCLUSION**

Black economic empowerment is very important strategy of redressing the past apartheid injustices, it should therefore be retained but effectively implemented and monitored to benefit all eligible South African. The main problem on the implementation of black economic empowerment is corruption, which

is brought about by lack of monitoring and effective punitive measures of the offenders. For instance, even in the state capture commission several senior politicians and business personnel were mentioned and none of them have been arrested up to date on corrupt practices of implementing B-BBEE.

Nevertheless, the South African business has immensely contributed to building a democratic South Africa from its initial stages, through consultation processes. Furthermore, business has helped the government to build the economy. The business has also made valuable contributions to government and society at large by making resources available during Covid-19 pandemic. Business should remove bad elements within itself that resist black economic empowerment.

## 8. RECOMMENDATIONS

The South African government should deeply reflect on the implementation of B-BBEE policy to address the grievances of the public that has lost hope on the policy because they believe that the policy favours the politically connected individuals and companies.

The government should also come up with the stringent monitoring and evaluation mechanism of implementing B-BBEE to keep track of beneficiaries and impact of the policy.

The government must change its modus operandi of not stemming out corruption, especially against the backdrop of the looming local government elections of 2026.

Multi-stakeholder partnerships of government, business, academia, and civil society should be empowered to curb corruption; if such a partnership is backed up by the willing and committed government, a lot can be achieved.

The multi-stakeholder partnership could also serve as a proper vehicle to advance and sustain democracy in South Africa.

Furthermore, the South African business must do more in embracing B-BBEE not as another box to be ticked for compliance purposes, but in true spirit of empowering black people.

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