

https://dspace.org/

Can the efficacy of the Amended Broad-Based Black Economic(B-BBEE) Empowerment Act demonstrate its successful implementation

Vilakazi, Judy

2023
University of the Witwatersrand, Johannesburg
https://hdl.handle.net/10539/40068
Vilakazi, Judy. (2023). Can the efficacy of the Amended Broad-Based Black Economic(B-BBEE) Empowerment Act demonstrate its successful implementation [Master's dissertation, University of the Witwatersrand, Johannesburg]. WireDSpace.https://hdl.handle.net/10539/40068

Downloaded from a DSpace repository. https://dspace.org/

Title

Can the efficacy of the Amended Broad-Based Black Economic(B-BBEE) Empowerment Act demonstrate its successful implementation

Student name: Judy Vilakazi

Student Number: 0305083j

A research report submitted to the Faculty of Commerce, Law and Management, University of the Witwatersrand, in partial fulfilment of the requirements for the degree of Master of Business Administration

Johannesburg, [Oct 2023]

Protocol number: WBS/BA0305083J/782

October 2023

DECLARATION

I, J.X Vilakazi, declare that this Applied Research Report is my own work except as indicated in the references and acknowledgements. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration in the Graduate School of Business Administration, University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in this or any other university.

Judy Xoliswa Vilakazi

(Type your name in full here, and sign in the space above)

Signed at: Jet Park

On the 2nd day of October 2023

DEDICATION

This research is dedicated to the Lord and my Saviour Jesus Christ for carrying me through this MBA journey and opening the door for my growth. To God be the glory for this life changing experience.

ACKNOWLEDGEMENTS

I would like to sincerely thank the following people for their contribution during my MBA journey:

To the love of my life, my chef, my nurse, my pillar of strength, my number one fan, I thank you Sifiso Jones Vilakazi for really being there for me. When I think about how the past two years have been such a rollercoaster ride for our family; from being admitted to hospital right at the beginning of this MBA journey during orientation and nearly losing our lives due to COVID-19 and the sad loss of loved ones later that same year, I can only be grateful for the people we still have. I can never forget how you nursed me after the major operation and encouraged me not to give up during my second year of studying, even when it literally was painful to go on you encouraged me to press on. We did this together my love.

To my boys Nhlamulo and Siyamthanda Vilakazi, thank you for your patience, your encouragement and understanding during those difficult days when I could not give you my undivided attention. For the many nights I missed dinner and our family devotion because of syndicate meetings. I hope my MBA journey continues to inspire you to go for anything you set your mind on and work hard no matter what life throws your way.

To my parents for always believing in my abilities and your love and support. My sister Jessica the one who has my back without a doubt, I love you and want nothing but the best for you.

To my Supervisor Dr Lumkile Mondi, thank you Sir for the wisdom you have imparted in me, for your guidance and continuous encouragement. You made me believe I can accomplish anything I set my mind on. I'm so grateful for your 'nonchalant' approach in shaping my life.

To my ex-boss Sanjay Ahuja, thank you for pushing me to enrol and study because that is what you expected from all your Senior Managers. Had it not been for you I would still be procrastinating. I will forever be grateful to you for shaping my career.

To all my participants, I thank you for taking time out of your very busy schedules to accommodate me and for agreeing to be a part of this study. I appreciate your valuable input, your knowledge in the subject, the passion you have for making an impact and for the contribution you are making in your organisations.

To my all-syndicate members, thank you for the sleepless nights, the many disagreements and most certainly the collaboration in all our tasks.

To the WBS administrative staff especially the ARP team, thank you for all your support.

SUPPLEMENTARY INFORMATION

Supervisor Lumkile
Mondi

Word count :15529

Supplementary files: Ethics Clearance

Participant information sheet

Consent form

Interview questionnaire

Including Executive Summary, References, etc.

EXECUTIVE SUMMARY

The goal of this study was to explore whether the Broad Based Black Economic Empowerment Act would be effective if implemented successfully in organisations. To what extent has the implementation translated into transformation. The study shows that there are success stories of persons who have profited from the BBBEE Act's implementation as beneficiaries of some of the elements. Some of the township's "black" residents were not completely aware of the Act and how it would help them. Moreover, the study shows that organisations with financial resources have designed clever ways to gain and attain the higher BEE contributor status despite their commitment to the "transformation" objective.

Due to the small sample size, the research methodology's shortcomings make it more difficult to generalise the results. Also, there were stringent requirements to ensure that only those with relevant expertise and knowledge were interviewed.

The focus of future research may be on assessing and measuring the consequences of socioeconomic development as one of the components of the scorecard in any organisation. This would make it easier to determine whether transformation has occurred.

Keywords:

Black Economic Empowerment, Broad Based Black Economic Empowerment, Efficiency, implementation, South Africa

Contents

DECLARATION ..... **ii**

DEDICATION ..... **iii**

ACKNOWLEDGEMENTS ..... **iv**

SUPPLEMENTARY INFORMATION ..... **vi**

EXECUTIVE SUMMARY **1**

1. INTRODUCTION **4**

1.1 THE PROBLEM STATEMENT AND CONTEXTUALISATION OF THE STUDY: 7
1.2 SOUTH AFRICA – GDP GROWTH RATE 9
1.3 SOUTH AFRICA – GDP ANNUAL GROWTH RATE 10
1.4 SOUTH AFRICA – GDP ANNUAL GROWTH RATE FORECAST 10
1.5 THE RESEARCH OBJECTIVES: 12
1.6 RESEARCH QUESTIONS 12

2 LITERATURE REVIEW **13**

2.1 INTRODUCTION 13
2.2 RACIAL DIVIDE 14
2.3 THE BEE POLICY 15
2.4 THE AMENDED OF BROAD BASED BLACK ECONOMIC EMPOWERMENT ACT 16
2.5 POLICY REFORM AMENDMENT OF THE B-BBEE ACT 18
2.5.1 CALCULATIONS OF B-BBEE LEVEL STATUS: 19
2.6 MEANINGFUL TRANSFORMATION 20
2.7 SECTOR CODES -MINING CHARTER 21
2.8 THE RATING OR VERIFICATION AGENCIES 22
2.9 THE EFFECTIVENESS OF EMPOWERMENT FRAMEWORK 23
2.10 SUMMARY 25

3 Research Methodology **25**

3.1 INTRODUCTION 25
3.2 SAMPLING METHOD 26
3.3 DATA COLLECTION 27
3.4 DATA ANALYSIS 28
3.5 VALIDITY AND RELIABILITY 29
3.6 POSSIBLE RISK 30
3.7 LIMITATIONS OF THE METHOD 30

3.8 DELIMITATIONS OF SAMPLE SELECTION 31
3.9 SUMMARY 32

4 Results 32

4.1 INTRODUCTION 32
4.2 INTENTIONS FOR IMPLEMENTING THE BBBEE ACT 33
4.3 INFLUENCED BY THE SOUTH AFRICAN HISTORICAL CONTEXT 34
4.4 THE RACIAL DIVIDE 34
4.5 EFFICACY OF THE BBBEE IMPLEMENTATION 36
4.6 TRANSFORMATION 37
4.7 THE VETTING AGENCIES 39

5 Discussion 40

5.1 INTENT OF THE BBBEE ACT 41
5.2 SOUTH AFRICAN HISTORICAL CONTEXT 41
5.3 THE RACIAL DIVIDE 42
5.4 EFFICACY OF THE BBBEE IMPLEMENTATION 43
5.5 TRANSFORMATION 43
5.6 THE VERIFICATION AGENCIES 44

6 Conclusion and Recommendations 44

REFERENCES 47

7 ANNEXTURES: A Ethics Clearance Certificate 52

8 ANNEXTURE: B Participance Consent Forms 54

9 Annexure: C Semi-structured Interview Questionnaire. 55

1. INTRODUCTION

Black Economic Empowerment (BEE) was presented as a key governmental policy pillar in the South African politics. It has influenced many other political frameworks that have emerged after the concept of BEE was birthed. BEE came because of the history of colonialism and economic exclusion that influenced many African countries and their leaders. According to Mbeki (2009), Africa's story is complicated, in that it had a bright and promising future immediately after many countries gained independence in the 1960s, as many countries performed admirably, and their economy increased tremendously. This era was defined by innovation, with universities springing up all over the continent, sparking lively debates about how to move Africa ahead.

This means that many scholars and political leaders were developed who had brilliant ideas about how to accelerate African emancipation. It was hoped that they would develop integrated industrial economies like those of the departing metropolitan powers, producing both raw materials and manufactured goods with an indigenous labour force that was healthier, better educated, and better clothed than it had been during colonial times.

However, with the assassinations of key leaders who had foresight and the leadership skills and had the potential to shape the future, such as Patrice Lumumba, Kwame Nkrumah, and many other African leaders, this promise for a bright future was soon dashed. Furthermore, this resulted in numerous conflicts that persist to this day. Many of these post-independence disputes, according to Mbeki (2009), were fuelled by two major elements. The first was a disagreement among African nationalists about whether economic and social policies should be pursued. Some of these leaders wanted to keep the old colonial model without the racial prejudice, while others didn't.

The second driving reason behind the conflict was the Cold War, which raged between Western and Communist nations from WWII through the collapse of the Berlin Wall. Many external organisations, particularly the United States, have shaped the political and economic landscape that is prominent in most African countries today.

This suggests that external forces have deliberately shaped the course of how African leaders behave to ensure that the major architects of power continue to own the means of production, own the resources and skills and those who do not gain remain in that position. ‘’African nationalism was a movement of the small, ‘Westernised’ black elite that emerged under colonialism. Its fight was always for inclusion in the colonial system so that it, too could benefit from the spoils of colonialism’’ (Mbeki,2009 p6). While many people thought African nationalism is about nationalising the resources and ensuring redistribution to the masses, clearly these elites had other ideas and a plan to stay on ‘’top’’.

In South Africa, after the 1994 democratic elections the newly elected government embarked on labour market reforms to redress the past injustice that were marked by discrimination, exploitation, and lack of opportunities primarily for black people. They did so by adopting the BEE policy which filter into other policies that were primarily concerned with the promoting the emancipation of the ‘’black person’’. This a legislative framework setting the tone for fair practice and ensuring access to basic rights. The regulatory framework consisted of the Basic Conditions of Employment Act No. 75 of 1997 (BCEA); the Labour Relations Act No. 66 of 1995 (LRA); the Employment Equity Act No. 55 of 1998 (EEA); the Skills Development Act No. 97 of 1998 (SDA) as well as the Broad-Based Black Economic Empowerment Act No. 53 of 2003 (B-BBEEA).

This paper seeks to review the Amended Broad-Based Black Economic Empowerment Codes of Good Practice’s efficiency and assess whether transformation can be demonstrated through the successful implementation of the B-BBEE for companies in the private sector. The BBBEE Act and its implementing Regulations Charters, Good Practice Codes, and other document scorecards all provide direction for implementation. This study reviews the generic scorecard that assesses compliance with five elements, that must be measured effectively to ensure the successful implementation each of which is tested against targets with weightings. An entity is measured against these 5 elements to obtain a BEE rating

As part of its nation-building plan, the South African government implemented broad-based black economic empowerment (BBBEE) Act No. 53 of 2003. The

B-BBEE Act aims to empower "all blacks," who include Africans, Coloureds, and Indians. The B-BBEE Act defines "black people" as a general term that includes Africans, Coloureds, and Indians who are either (a) citizens of the Republic of South Africa by birth or descent, (b) citizens of the Republic of South Africa by naturalisation, I before April 27, 1994, or (ii) on or after April 27, 1994, and who would have been eligible to obtain citizenship by naturalisation prior to that date.

The Amended Generic Codes Scorecard-Measurement of the B-BBEE Elements:

Element	**What is measured**	**Weighting**
*Ownership	Measures the extent to the entity is owned and controlled by black people	25
Management Control	The element governs the issues relating to participation by black people in the top level management of the organisation	15
*Skills Development	The amount of money spent on training specifically for black employees and black people, as a percentage of a company's annual payroll;	20
*Enterprise and Supplier Development	Based on the B-BBEE Scorecards of their suppliers, this metric assesses how a company has used its purchasing power (called Preferential Procurement). This component also assesses how much a corporation contributes to the development and economic stability of black-owned businesses.	40

Socio Economic Development	Measures the contributions to the promotion of economic activity through the value of donations made to black beneficiaries with the goal of improving their economic access.	5

Source: RSA (2013) Amended Broad Based Black Economic Empowerment Codes of Good Practice

The elements with an asterisk * are referred to as the Priority elements. An entity which fails to achieve these minimum targets will have their BEE Level discounted/reduced by one BEE Level.

Large businesses should prioritise the following:

- Ownership-Entities must reach at least 40% of the yearly net value targets for the ownership component. The net value component essentially calculates the funding attached to the shares held by Black stockholders. For an entity to receive a high score for this aspect of the ownership element, the equity value to debt value ratios and repayment of the funds must take place in accordance with specific ratios and formulas in the BEE Codes.
- Skills Development- Entities are required to meet a minimum of 40% of the skills development element's aim; and
- Enterprise and Supplier development- development of businesses and suppliers. Entities must accomplish at least 40% of the target set out in the three of the sub-elements of the enterprise and supplier development.

1.1 The Problem Statement and Contextualisation of the Study:

South Africa has not been able to deal with the ‘triple’ challenge of poverty, unemployment, and inequality even after the realisation of democracy. As a result, the situation has gotten worse according to the ILO report which highlighted that poverty, inequality, and unemployment continue to rise due to the unfavourable economic climate, which is informed, among others, by the recent

COVID-19 pandemic. This picture necessitated the need to review the policies that were meant to facilitate economic emancipation and be a catalyst for change in South Africa such as the Broad Based Black Economic Empowerment Act 53 of 2003.

This BBBEE strategy was created as a continuation of the black economic empowerment policy to advance economic inclusion within the country, safeguard the common market, and advance equality of opportunity and access to public services. In simple terms this legislation was created to accelerate economic change and increase black people's economic engagement in the South African economy. With this type of objective, the expectation is that there will be partnership between all agents of state and all relevant departments like the Department of Labour and other departments in the economic sector. The expectation was that this policy would serve as a beacon of hope and assist in closing the inequality gap, create employment opportunities and alleviate poverty.

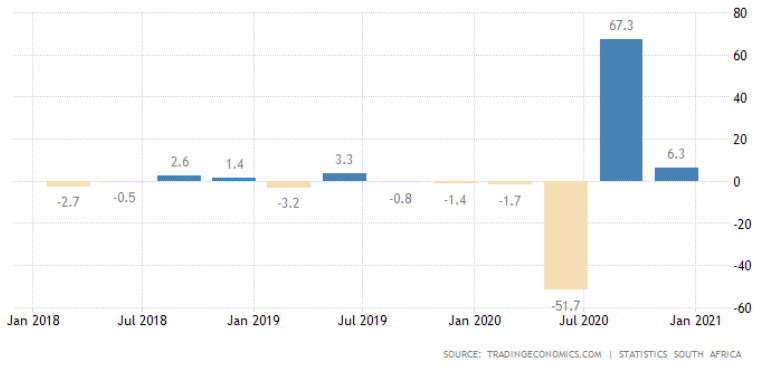
Broad Based Black Economic Empowerment Act 53 of 2003 has undergone several amendments since it came into effect. The Amended B-BBEE is surprisingly not monitored by the departments that are responsible for economic emancipation and who are primarily responsible for the policies that govern the economic activities of the country like the Department of Treasury and Finance and the Economic Service & Infrastructure Development. In addition, it seems there was no proper multiple government engagement in the formation of this policy as there are multiple government departments pursuing similar interests and often conflicting policies to the BEE framework. According to (Lindsay, 2015) a problem that is getting worse as new empowerment policy frameworks are introduced and others strengthened in different government departments.

Correspondingly, there seems to be consensus among the business community on the deep level of dissatisfaction with the pace of transformation in the business sector and the country in general. Rather the argument made is that BEE is responsible for enriching a few ANC connected individuals and creating the ‘’elites’’ who have benefited from the BEE policy as beneficiaries of some of the elements stated in the framework. On the other hand, the policy has clear targets for ensuring women empowerment by allocating points for their participation in

board level or in any of the other occupational levels within the organisation. However, the current picture indicates that most senior positions are still occupied by the males and in most cases white males.

The Broad Based Black Economic Empowerment Act(B-BBEE) was introduced to promote transformation, facilitate access to the economy for people who were historically excluded from the mainstream economy because of their race. According to the Transformation Magazine, 2021, the B-BBEE Policy was the Government's chosen tool for addressing the footprint of small businesses and creating employment for the majority and empower ''Black'' people broadly in a thriving economy. However, the situation seems to be worsening as we review the statistical data. South Africa's economic development for the last three years has been incredibly subpar. With an average decline rate of -2%, the economy has been contracting from the fourth quarter of 2018 to the first quarter of 2020.

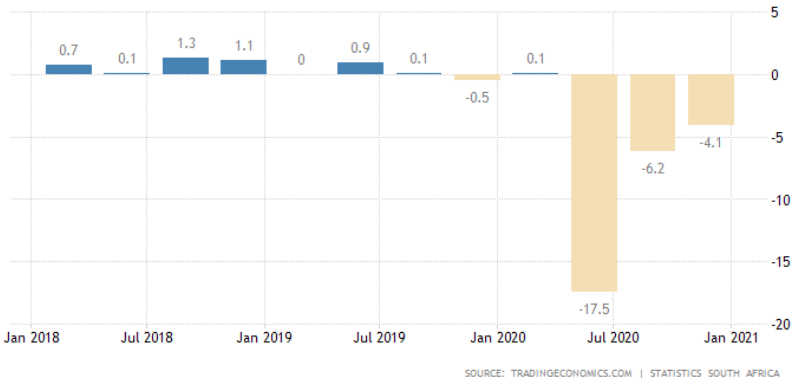
According to the Trading Economics website, the graphs below illustrate the South African GDP's quarterly and yearly growth rates in 2021.



1.2 South Africa – GDP Growth Rate

A negative GDP growth rate of -0.5 in the first quarter of 2020, -17.5 in the most recent quarter, and -4.1 in the last quarter of 2021 is depicted in the graph below. A country's ability to meet expected population growth, boost consumer spending, lower unemployment, and alleviate poverty is indicated by a high GDP growth rate. The contrary occurs, as unemployment increases as a result of the low and negative GDP growth. Businesses are consequently less likely to make investments, which inhibits future economic growth. It makes addressing

socioeconomic challenges in the economy much more challenging.



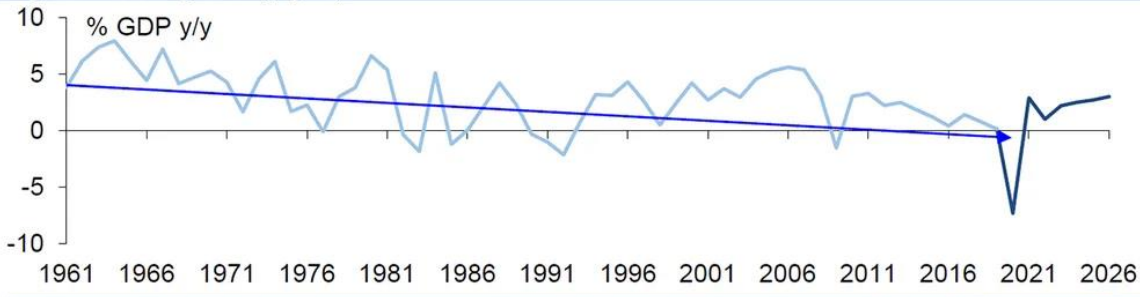
1.3 South Africa – GDP Annual Growth Rate

As illustrated in the graph below from Trading Economics (2021) and described by Venter(n,d), the South African GDP growth prediction gives an indication of the present economic cycle that the economy is experiencing. This is a clear sign of a recession entering its trough. The negative trend is evident from the second quarter of 2020 the GDP Annual Growth rate was -17.5 and in the 1st quarter of 2021 it was -4.1.

1.4 South Africa – GDP Annual Growth Rate Forecast

"On a more basic level," Bishop (2021) argues that “a key cause in South Africa's failure to produce sustained economic growth is the frightening truth that doing business in South Africa is becoming more difficult, not easier." This assertion is accompanied by the corruption and poor policy implementation and lack of regulation.

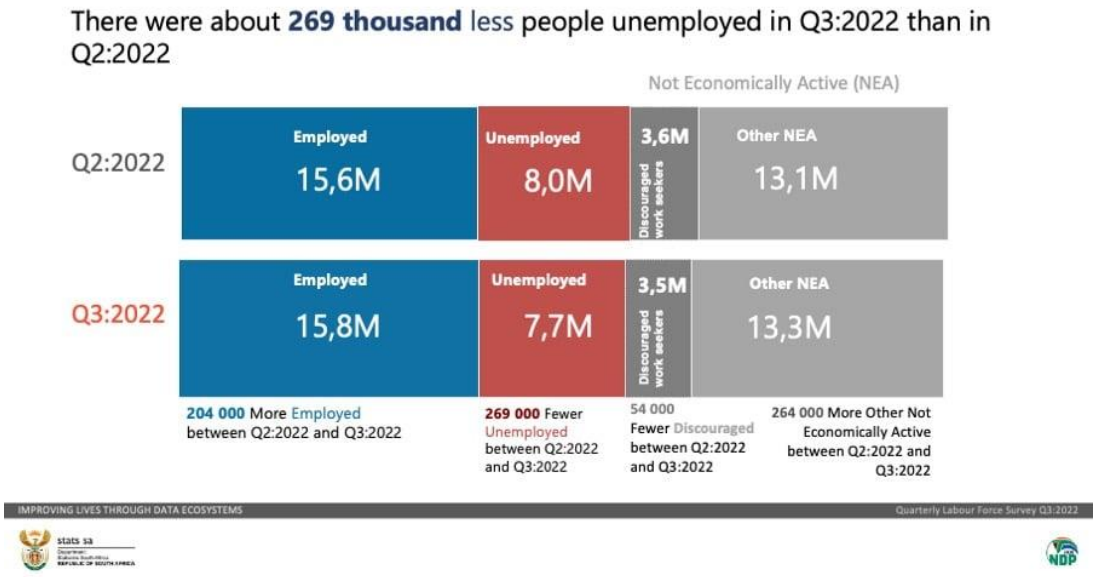
Figure 1: GDP growth (y/y %)



Sources: SARB

According to Business Tech (2020), the economy entered the 85th month of a weakening cycle in December 2021, according to the Reserve Bank's Quarterly Bulletin. With the above graphs, it is quite evident that the economy was not thriving as initially envisioned to create jobs and improve the lives of ordinary South Africans.

In 2022, the economy shrank by 0.7% in the second quarter before rebounding to grow by 1.6% in the third. 1 On the supply side of the economy, the manufacturing, finance, transportation, and agriculture sectors were the key growth engines. An increase in exports and government consumption helped the economy's demand side. Yet the picture remains bleak for the unemployment statistics. According to the Department of Statistics South Africa the below picture shows small improvements with people that were employed in quarter 3 but the overall numbers of unemployed people still remain relatively high.



This image further raises questions about the BBBEE's objectives and to what extent it has managed to advance equal opportunity and access to public services which would then result in job creation or more support of small business. In addition, to promote national economic unity, protect the common market, and promote equality of opportunity and access to public services. This suggests that if the policy's objectives could be met then the challenges of unemployment, poverty and inequality could be reduced.

1.5 The Research Objectives:

The study seeks to determine the efficacy of the implementation of the B-BBEE legislation in the private sector and ascertain to what extent has transformation been achieved because of this implementation. The objectives are:

- To assess the efficacy of the BBBEE legislation and review how it is implemented in the private companies
- To review the understanding of transformation in association with the implementation of the B-BBEE
- Describe, explore and understand the legislative background of the B-BBEE through literature review
- Unpack the elements of the B-BBEE and understand their goal in ensuring there is compliance
- Explore, compare and review the intent of the legislation from the stakeholders who are actively implementing, managing and responsible for the compliance of the B-BBEE for their organisations.

1.6 Research Questions

The research questions are:

- To what extent has the implementation of the BBBEE legislation translated into the envisaged transformation in the private sector?
- What does transformation look like and what does it mean for the private sector?

- Can this transformation be as a result of the B-B-BEE or can it be ascribed to other factors?
- Is B-BBEE effectively implemented?
- What are the main reasons for the private sector to embracing B-BBEE?
- How is B-BBEE measured and regulated?
- What are the implications of private sector not complying to the B-BBEE?
- Can the implementation of the B-BBEE be manipulated by the private sector?
- What are the risks associated with the implementation of the B-BBEE?

2 LITERATURE REVIEW

2.1 Introduction

This literature review will unpack some of the motives behind the BBBEE Act as a need for the proposed agenda of advancing black economic empowerment. According to (Shangase, n.d.), the ANC government has been struggling to define BEE as a distinct policy that would benefit the previously disadvantaged majority of South Africans and redress the past injustices. To get rid of the narrow ‘’BEE’’ policy that was not achieving the results government formulated the B-BBEE framework as a strategy that would benefit the previously marginalised majority in its entirety. The literature gives context on the racial context that continues to be a South African phenomenon. There will also be brief context on the origin of the BEE policy. The theoretical narrative that BBBEE would result in growth is also briefly discussed. The literature also gives details about the proposed broad based black economic empowerment. The following section of the literature will unpack the reason that gave rise to the amendment of the policy and a discussion on the sector codes. In addition, an overview of the rating or verification agency and review of the effectiveness of empowerment framework will also be briefly evaluated. The next part provides context on this proposed black economic empowerment policy that was sold to

the leaders as a beacon of hope that would result in the economic emancipation of black people.

2.2 Racial divide

South Africa is still racially divided geographically, politically, educationally, and even socially. Unfortunately, this translates into the type of economical access and level of influence that citizens can enjoy. It is no surprise that most of the policies and legislation had to focus on a prescribed race as the beneficiaries.

Posel (2001) argues that one of the more glaring and visible contradictions of South Africa's transition from apartheid concerns the future of race. Unfortunately, almost every formal document you complete or any application you make to any formal institution will require your race in addition to other key facts such as gender and address. Racial reasoning and categorisation still impact many people's lives in South Africa and unfortunately legislation is one other area where the issue of race is still prevalent. It has become ingrained in people's minds and experiences that there are four separate races in South African society: Whites, Coloureds, Indians, and Africans.

Sadly, this distinction ensured that only certain racial groups would have access to resources and the means of production while other racial groups remained behind. Although there were strong racial hierarchies in place, certain individuals were able to move up or down the racial ladder in response to changes in their circumstances thanks to ambiguous and mobile identifications along the edges of various racial groups (Posel, 2001). It is for this reason that there was a need to have a deliberate approach to address the racial injustice that transpired during apartheid. The BBBEE policy which filtered into many other legislations was adopted by the government with the hope that it would create a path for the emancipation of the previously disadvantaged racial groups. This suggests that with the implementation of this policy then there would be transformation and the envisaged change in the people's lives.

2.3 The BEE policy

Many people in South Africa naively assumed that the South African black nationalist; especially in the African National Congress (ANC) formed black economic empowerment (BEE) to strategically empower African people and share in the wealth, particularly after the first democratic elections in 1994. Mbeki (2009) contends that the white businesspeople and their families that dominate the country's mining, chemical, and engineering industries as well as finance are the economic oligarchs of South Africa who established BEE. “BEE's goal was to co-opt leaders of the black resistance movement by essentially buying them off with what appeared to be a free transfer of large assets at no cost” (Mbeki,2009:67).This suggests a structural set up to perpetuate access to the economy to only a few people.

Mbeki (2009) further argues that BEE is a process that aims to create a black capitalist class. This black capitalist class is seen as endorsing the adoption of a "rainbow" neoliberal economic and political system, as well as the survival of a dominant "white capitalist class" and the safeguarding of property rights (Mbeki, 2009). It is evident from this goal that the BEE would still not be able to accommodate the majority who were marginalised and open the much-anticipated doors to equality.

Later more other leaders had too much ‘hope’ in the BEE policy, as a political initiative aimed at several goals. BEE was seen as a scheme of re-distribution of productive resources to the benefit of historically disadvantaged communities by the apartheid administration in the 1994 Reconstruction and Development Programme (RDP) (ANC, 1994). This was all too good on paper but with no clear implementation plan that would be measurable.

Government and business ultimately responded to former President Mbeki's speech and more general claims that BEE was simply rewarding a select group of powerful politicians and businesspeople in the face of enduring poverty. They then agreed that there was a need to brand the idea as "broad-based BEE" (Ponte, Roberts, & Van Sittert, 2007).

This demonstrates that government did not work hard to understand the challenges with the concept of BEE and how it was benefiting only a few politically connected while many continued to live in poverty. Government rather transitioned to substitute the term BEE to B-BBEE and that further complicated the understanding and the intent of what the policy was meant for.

Correspondingly Lindsay, (2015),further argues that policy makers simply by-passed the thorny task of developing a definition of the ‘’amorphous, slippery catch-phrase’’ called BEE. Instead, they added the convenient politically correct adjective of broad based and then provided descriptions instead of definitions what the revised policy framework would achieve. The next section introduces the amended Broad Based Black Economic Empowerment Act.

2.4 The Amended of Broad Based Black Economic Empowerment Act

According to the Broad-Based Black Economic Empowerment Act 53 of 2003 the main objectives are:

- promoting economic transformation to enable meaningful participation of black people in the economy.
- achieving a significant change in the racial composition of ownership and management structures,
- as well as in the skilled occupations of existing and new enterprises: increasing the extent to which communities, workers, cooperatives, and other 50 collective enterprises own and manage existing and new enterprises,
- and increasing their access to economic opportunities
- increasing the extent to which black women own and manage existing and new enterprises, and increasing their access to economic activities, infrastructure, and skills training.
- promoting investment programmes that lead to broad-based and meaningful.
  participation in the economy by black people to achieve sustainable development and general prosperity.

- empowering rural and local communities by enabling access to economic activities. land, infrastructure, ownership, and skills; and
- promoting access to finance for black economic empowerment.

These goals demonstrate how the B-BBEE legislation is narrowly domineering and manifestly at odds with the DTI's own concept of an integrated and coordinated socioeconomic process (Lindsay, 2015). These objectives do not clearly unpack how this framework will contribute to the National integrated strategy of achieving black economic empowerment.

In addition, measurement, and implementation of the B-BBEE framework has been argued to be difficult considering the ambiguity in the practical application, lack of proper definitions and the overlap with many other legislative frameworks such as the Labour Relations Act, Basic Conditions of Employment Act, the Employment Equity Act, Skills Development Act and the Preferential Procurement Policy.

These few legislations address inequality, prejudice, injustice, racism, sexism, and all other forms of discrimination in the workplace and society in general. These all provide a framework to influence the culture in the workplace, contribute to the socio-economic development of black people and ultimately grant them access to the economy. There was a narrative that dominated in the time of labour reform and policy formulation during the early ‘2000’ that brought some hope and no wonder the support that the BBBEE Act received during that time.2.4The Theoretical Narrative that B-BBEE Would Result in Growth

Andrews (2008), argues that theoretical literature on organisational and economic structures is used to answer the query of whether B-BBEE was being used as a growth catalyst. According to this body of study, structures determine patterns of behaviour, opportunities for empowerment, and opportunities for economic progress while reflecting values. The study demonstrates the detrimental effects South Africa's economic arrangements have had on racial access, economic opportunity, inventiveness, and responsiveness. The idea is that to achieve both transformation and growth, economic structures must be altered, and these changes would be realised by the implementation and adoption of the BBBEE Act.

Some people claimed that BEE is not bringing about change, and the argument that BEE won't spur growth is raised by this a study conducted of 25 JSE listed companies. The main conclusion from that study is that while companies actively comply with BEE standards, they also do so in a stagnant structural setting where they continue to turn to established networks for assistance. As a result, there are fewer BEE beneficiaries. This also creates fractions or groups or class of select people who can benefit based on some criteria. This results in restrictions and widening the pool of those who are not legible to benefit, and thus increasing the unemployment gap, increasing poverty and widening inequality.

Additionally, many businesses are not creating the vertical connections that could provide opportunity for entrepreneurs. Businesses building vertical connections are building the ability to span existing network gaps. These initiatives appear to have a very high payback, as seen by the trained and screened individuals, new positions, and new businesses. These assumptions prompted the policymakers to address how to make BEE better so that it actually becomes a policy that catalyses growth (Andrews, 2008). The reality of the South African context necessitated that the leaders needed to start with a select group of people that were previously excluded to try and create an atmosphere that promotes equality and same ‘footing’. It was clear that the benefit had to start with the ‘black’ majority and there was a need to reform the current policy to accommodate more people.

2.5 Policy Reform Amendment of the B-BBEE Act

Many challenges were raised with the interpretation, implementation, and application of the B-BBEE, and this caused confusion and impacted the compliance and its overall performance. In response to the challenges a policy reform process was initiated in 2011 that culminated in the promulgation of a revised set of Codes and the B-BBEE Amendment Act in 2014 which include:

- A "trumping" clause has been included to allow for the coordination of B-BBEE with conflicting empowerment policy frameworks. This clause states that B-BBEE policy must take precedence whenever it conflicts with another policy in a field related to black empowerment.

- It is a criminal offence to misrepresent B-BBEE credentials and organs of state have a statutory right to simultaneously cancel any contract or licence where the B-BBEE credentials of the supplier or applicant are found to be false
- All organs of state are required to participate in the implementation of the B-BBEE policy within their own operations
- The amendments provided for the establishment of a regulatory body like the Competition Commission called the B-BBEE Commission. Its main task is to oversee conducting investigations, employs a variety of methods to do so. The commission always encourages businesses to contact them to assess any structures or arrangements they are considering so that they can provide advice on how to make them compliant before they go into effect.
- The B-BBEE Commission is required to act impartially and without fear or prejudice, which means that the B-BBEE Commission must operate without fear or bias, which means that the B-BBEE Commission respects the principles of our legal system, including criminal law.

These reforms have radically altered the policy environment through the realignment of the scorecard elements and the wide-ranging adjustments to the calculations of the scorecard points by the Rating agencies. The policy makers also further eliminated the previous distinctions before the amendments between large and small companies by introducing one set of Codes for all companies that have a turnover in access of R10 million per annum ((Lindsay, n.d., p. 2015).

2.5.1 Calculations of B-BBEE level status:

BEE Status	**Score on the Generic scorecard**	**Recognition level**
Level 1 Contributor	100+	135%
Level 2 Contributor	95-99	125%

Level 3 Contributor	90-95	110%
Level 4 Contributor	80-90	100%
Level 5 Contributor	75-80	80%
Level 6 Contributor	70-75	60%
Level 7 Contributor	55-70	50%
Level 8 Contributor	40-55	10%
Non-Compliant Contributor	0-40	0%

Source: RSA (2013) Amended Broad Based Black Economic Empowerment Codes of Good Practice

These amendments further highlight the unfair comparison of the BEE status levels between companies with the same turnover of R10millin and above but with different Ownership structures operating within the same industry are meant to compete for the same suppliers and resources. The compliance levels have been considerably increased without fully appreciating the impact it will have on the entities. This will unfairly be favouring those in better positions while the struggling ones continued to be excluded from accessing the mainstream economy. There was change but it was not meaningful and far reaching to challenge the status quo.

2.6 Meaningful Transformation

The problem appears to be that ‘’meaningful transformation’’, which was described as the creation of sustainable black companies’’ which was clearly not achieved((Lindsay, n.d., p. 2015). It can be argued that these legislative frameworks were introduced to ‘’transform’’ the lives of South Africans and the contribute to an improvement of the livelihood and wellbeing of the citizens. Transformation according to the Oxford dictionary, refers to the complete change

in somebody or something. The Amended B-BBEE framework was meant to facilitate the transformation of people's lives and result in facilitating the opportunities for the 'black' people of South Africa.

However, the representatives of organised business bodies such as Business Unity South Africa (BUSA), the South African Chamber of Commerce and Industry (SACCI) and many others issued comments about the structural impediments to transformation, expressed concerns regarding the vague and unclear details, the extent of authority granted to the BEE Commission, the cost and administrative burdens that could have a negative burden on business, employment and future investment by private sector (Lindsay, n.d., p. 2015).One could argue that the management of B-BBEE as a distinct, technical framework to be managed in accordance with the concepts of socio economic development and auditing—has exacerbated the gap between B-BBEE and economic policy and the transformation of the previously disadvantaged. There was a need to have special regulations governing different sectors like the mining industry.

2.7 Sector Codes -Mining Charter

The intention behind the original and revised Mining Charter was to champion the government's BEE policy, which itself was an attempt to deracialise the economy by requiring mining companies to divest equity in favour of black South Africans. ''The promotion of BEE in the mining sector has ironically become a catalyst for the populist support for nationalisation. This is because both the original and revised Mining Charter promote a form of "narrow'' BEE, resulting in the enrichment of well-connected few, as opposed to the economic empowerment of workers as well as poor and marginalised black communities who should be the principal beneficiaries" (Lindsay, 2015p204).

There has been an increase of, a multiracial middle class, including a black capitalist class, has emerged during the previous decade, contrary to certain allegations about BEE's failure (Slaughter, 1999; Sono, 1999; Turok, 2000). This makes one to question whether the objections of the B-BBEE have been fulfilled. To what extent have the black majority benefitted from the implementation of this clearly set out goals as outlined in the frameworks. There was a need to regulate

and measure the compliance of all organisations that were implementing this strategy and to monitor the progress made.

2.8 The Rating or Verification Agencies

Institutions recognised under Section 27 are considered Verification Agencies for the purpose of vetting and assessing businesses for BBBEE compliance. By performing yearly audits of the companies, comparing the claims made with the supporting documentation, and eventually providing the entities with BEE compliant certifications with a distinct status level, they are in charge of guaranteeing compliance with the B-BBEE.This addresses the aspect of ensuring the 5 scorecard elements are measured against the set targets and properly regulated.

The challenge with some of these verification agencies if not regulated by SANAS they can hinder and threaten the agenda of holding companies accountable and promote transformation. Although the future accreditation of verification agencies can be used as power leverage by the state, it can also be turned into a technical exercise
with these agencies becoming ‘gatekeepers(Ponte, Roberts, & Van Sittert, 2007).

However, there is another, more fundamental issue with the collection and evaluation of the raw data that affects the assessment of B-BBEE policy performance. It's possible to argue that the specifics of any policy statement are open to interpretation and invite different approaches to measurement and explanation, inaccurate results, score manipulation, and blatant abuse.

According to Lindsay (2015), another factor affecting the reliability of the raw data is the power the measured entity exerts over the rating agency. These rating agencies are likely to picked based on their willingness to cooperate and not challenge the measured entities’ claims. The verification industry has also become very competitive environment, and thus giving the measured entity more power to pick and choose according to their preference and the rating agency’s ability to interpret results more favourably. In such situations the agency is likely to concede to the client’s demand rather than loose business. This suggest that

there is room for manipulation driven by a motive from both the verification agency and organisation with the financial resources.

2.9 The Effectiveness of Empowerment Framework

According to Mbeki (2009), the formation of the black bourgeoisie may be unfolding at a far faster rate; nevertheless, it is unclear whether this class will be able to successfully press for the enactment and implementation of BEE initiatives. This class is not creating opportunities for other people to benefit but rather focusing on rotating the opportunities amongst their circles.

Inequality rate is increasing at an alarming rate, according to a World Bank assessment, South Africa is the world's most unequal country, with race playing a determining role in a society where 10% of the population controls more than 80% of the wealth. This is despite the growing middle class.

According to Stats S.A, the unemployment rate in South Africa increased to 35.3 percent in the fourth quarter of 2021, up from 34.9 percent the previous quarter. It was the highest unemployment rate since records began in 2008. Unemployment climbed by 278 thousand to 7.9 million, while employment increased by 262 thousand to 14.5 million and the labour force increased by 540 thousand to 22.5 million.

Manufacturing (-85 thousand) and construction (-85 thousand) saw the most job losses (-35 thousand). On the other side, job growth was observed in private households (+129 thousand), trade (+118 thousand), and community and social services (+73 thousand). Unemployment under the broadest definition, which includes people who have given up looking for work, was 46.2 percent in the third quarter, down slightly from 46.6 percent the previous quarter. Unemployment among young people measuring jobseekers between 15 and 24 years old, was unchanged at a record high of 66.5%.

Some companies falsely claim black people as Directors of companies without their knowledge. Some Directors or Shareholders don’t have any voting rights.

These acts are against the objectives set out in the ownership element and are not in support of the transformation agenda.

According to (Corruption in South Africa Wikipedia, 2018), Netcare, South Africa's largest network of private hospitals, was accused of BEE fronting in June 2017. As part of its BEE strategy, Mother and Child Trust (MCT), a Netcare-registered company, teamed with Milagros Social Development (Pty) Ltd, a company with all black women shareholders, according to a Staff Reporter in 2017. Milagros filed a case alleging that MCT violated the terms of the agreement by refusing to pay it three vesting – or rights to a trust's income or assets – from 2014 to 2016. Milagros was awarded 2 million trust units tied to a similar number of Netcare shares at R12.76 per share with a dividend of R12.76. a stake with a loan from the medical giant of approximately R25 million, where the shares were frozen from 2008 to 2012. Apart from that, 17 more BEE-fronting accusations have been made against various South African corporations.

In addition, according to matriculation pass rates, traditionally white and black schools continue to perform very differently from one another. Since 1994, blacks' "meaningful involvement" in the economy has been severely constrained by employment outcomes. The rise of the labour force has not been adequately matched by employment growth, which has contributed to rising unemployment. The unemployed are largely black and unskilled or semi-skilled due to industry restructuring, which has seen enterprises relocate employment to more skilled (often white-held) positions.

The unemployment rate is highest for African women, at 41% per cent in 2021, compared to 8.2 per cent for white women (Stats SA,2021). The lack of meaningful employment creation has impacted heavily on young entrants to the labour force. The unemployment
rate of youth between 15-24 years was at 55.2% per cent in 2019, and almost 75 per cent of African women under thirty were unemployed (Stats SA). This makes one to wonder if the B-BBEE legislation has contributed to

meaningful job creation and has it achieved its objectives and thus contributing to transformation in South Africa.

One still reflects on what was the goal of implementing the B-BBEE framework in South Africa and the ambitions of redressing apartheid's legacy in the education system and addressing the extreme, racially-based inequality and high levels of poverty which, in turn, depends on economic opportunities deriving from employment and wages(Ponte et al., 2007).

However, the Act has been in place for more than 19 years now and yet there is no clear evidence of socio-economic development and the emancipation of the historically disadvantaged population, and the skills gap has wider even further. The performance in these indicators has been dismal, with poverty alleviation dependent largely on greatly expanded social grants targeted at the poor (Ponte et al., 2007).

2.10 Summary

This literature review briefly outlined the need for a review of the current context with regards to policies that were designed with the objectives of redressing the past injustice. This was done by highlighting the racial segregation that ultimately shaped the lives of ordinary South Africans.

3 Research Methodology

3.1 Introduction

This section unpacks the type of research methodology that was adopted for conducting this study and the motivation behind the chosen research methodology as compared to other methods. In addition, it also gives an account of the sampling method and the type of data collection tool that was used. The data analysis employed in this study will also be explained in this section including the limitations of the study and the reliability and validity of this study.

Qualitative research, according to Creswell & Clark (n.d.), is an inquiry approach used to investigate a central phenomenon by posing broad-ranging inquiries. The process of gathering data involves writing down the participants' in-depth opinions. A qualitative research approach was used for this study as it was deemed suitable for this type of research question to be able to obtain in-depth opinions. This study attempted to obtain in-depth understanding of the efficacy of the B-BBEE and its implementation in some private companies. This research wanted to understand and explore to what extent was transformation achieved because of the implementation of the B-BBEE legislation. This will be achieved through the qualitative research method to understand the topic because it gives room for searching literature and review the current practices in relation to the topic. There is also room to compare and contrast feedback from the findings and also room to explore other ways of obtaining in-depth data.

Central to good qualitative research is whether the research participants' subjective meanings, actions, and social contexts, as understood by them, are illuminated (Fossey, Harvey, McDermott, & Davidson, 2002). Qualitative research aims to address questions concerned with developing an understanding of the meaning and experience dimensions of humans' lives and social worlds.

3.2 Sampling Method

The fundamental goal of sampling is to find relevant populations (or 'elements') to explore the study's main topic. Effective sample selection is critical in qualitative research since ineffective procedures can have a significant impact on the study's results and consequences(Lopez & Whitehead, 2013). This study used purposive sampling technique. The characteristics of a purposive sample are those that are defined for the study's objectives. In this study the key objectives were to assess the efficacy of the BBBEE Act's implementation in the private companies and to explore if this translated into transforming people's lives. The results of a study using convenience and purposeful sampling cannot be extended to the entire population; rather, they can only be applied to the (sub) population from which the sample was taken(Andrade, 2021). This suggest that the sample will not be randomly selected but will be selected based on the

researchers' set criteria.“ Students are advised to choose a sample between 12 and 60, with 30 being the mean; and Ragin suggests that a great answer is ‘20 for an M.A. thesis and 50 for a Ph.D. dissertation’’(Baker & Edwards, 2017 p6).This study selected a sample of 15 participants that were experts in B-BBEE implementation and had a wealth of knowledge and experience of the topic. This comprised of the following stakeholders:

- Diversity, Inclusion and Transformation Director
- Executive BEE Chamber
- Chairman of Trust Fund
- Transformation & Regulatory Compliance Manager
- Senior B-BBEE Compliance Officer
- Transformation Consultant
- Skills Development Facilitator
- Recruitment Consultant
- Senior Enterprise & Supplier Development Manager
- Socio Economic Development Superintendent
- Senior Verification Analyst
- Local Content Consultant
- Transformation Manager
- Sustainability Manager

3.3 Data Collection

The main instrument that was used for data collection, was semi structured interview questionnaires with key stakeholders who are responsible for the B-BBEE implementation, compliance, and monitoring within their organisations. According to Lopez and Whitehead, 2013, interviews are widely recognised as the most effective approach for getting qualitative data; they are also the most used method for gathering qualitative data in research.

Most qualitative data is based on a spoken 'story,' which is most typically obtained through a direct meeting between the researcher and a participant (or several participants) through in-depth interviews or focus group interviews. Semi structure or open-ended interviews allows for further probing and ability to clarify

any ambiguities that may arise. An inbox was sent to all the LinkedIn network who matched the set criteria from the preferred sample. When the potential candidates responded positively they were asked for permission to be sent messages via their email. The potential candidates were sent inboxes of a brief summary of the study and the request for them to participate officially. Those who responded were requested their email addresses so we could send the participant information sheet with all the details about the study. When they had read and were willing to participate, they would be sent a meeting request on the date and time agreed by both parties.

In addition, participants were given an option on the online meeting platform between Zoom or MS Teams. Majority preferred Teams and this benefited the researcher because it allowed for recording and transcribing. The researcher was very flexible to accommodate participants at a time of their convenience. In some cases, some participants would forget about the meeting or cancelled at the last minute. The researcher learned after conducting a few sessions that it is always easier to make phone calls and follow up as a reminder to ensure the interviews take place as planned.

3.4 Data Analysis

After conduction all the interviews, the researcher downloaded all the recordings and transcripts to save them in the password protected laptop. After all the downloads were complemented, there was a need to listen to the recordings and check if they aligned with the transcripts. There were a few key words that came up from the recordings that aligned to the main objectives of the study.

The researcher interpreted data through an inductive approach which was used to identify themes and patterns of meaning across the qualitative data collected during the interview stages. The assumptions and processes employed are detailed, as well as an outline of a generic inductive strategy for qualitative data analysis. This was based on the interview questions asked and the type of answers provided.

The goals of using an inductive approach were to (1) condense a large amount of diverse raw text data into a concise, summary format; (2) establish clear links between the research objectives and the summary findings derived from the raw data; and (3) develop a model or theory about the underlying structure of experiences or processes visible in the raw data. The inductive technique mirrored commonly observed qualitative data analysis trends (Thomas, 2003). Themes where derived from the research objectives and research questions based on the participants' perceptions and views towards the topic covered.

3.5 Validity and Reliability

Any study must consider validity and reliability to determine whether the methods used for data collection and analysis were effective in determining or addressing the research issues. In qualitative research, operationalizing validity has been done in a variety of ways. This study is logically sound and applicable to the current situation in the private sector. It is therefore a valid reflection of how implementation has been achieved. Nowadays, qualitative research is not governed by any one validity principle. In practise, it appears that at least some qualitative research plans are acceptable to all validity conceptualizations. So, each of these existing models appears to be worthwhile (Onwuegbuzie & Leech, 2007).

Correspondingly, interpretation validity seems to be the limitation for this study as it was based on both the researcher and participants' interaction. This refers to the extent to which a researcher's interpretation of an account reflects a grasp of the perspective of the group under inquiry and the meanings connected with their words and actions (Maxwell, 1992). The researcher needed to be careful of not applying interpretation validity based on their experience or knowledge of the research topic to avoid influencing the outcome.

The study is reliable in comparison to other studies conducted previously as results obtained are corresponding to previous observations from other scholars. The reliability for this study was to demonstrate the efficacy of the implementation in the context of the selected sample. It was confirmed from data that the Act's

intention was good and hoped that through implementation people's lives would hopefully be transformed for the better. However, it cannot be generalised to the wider population considering the many variables that would still need to be measured.

3.6 Possible Risk

The risks encountered during data collection was that not all desired and targeted candidates responded positively to the request to participate. Those participants who agreed did not all honour their commitments after consenting to be interviewed. The other risk encountered was 'loadshedding' during the planned time of interviews and causing us to reschedule and not align with the planned deadline to complete all interviews before the first week of November 2022.This required a lot of flexibility, patience and tenacity to start from scratch and find another suitable time for both the researcher and the participants. The availability of Senior Executives who were actively involved in the day-to day implementation and interpretation of the B-BBEE within their organisations was a challenge considering their busy schedules.

Another risk identified was discomfort to name their current employers or clients, or where there may be some sensitivity involved in terms of the questions asked about their company's B-BBEE strategy and performance. This was resolved by expressing that the information would be confidential and properly stored. In the case were participants were not comfortable they were informed that it was not compulsory to disclose such information as the study was purely based on their opinions and understanding.

3.7 Limitations of the Method

The use of interviews only as a data collection tool limits the researcher to only the responses from those few participants who agree to participate. This type of study was reliant on interviewing participants who had knowledge and deeper understanding of the amended Broad Based Black empowerment framework and its origin from being a BEE policy and transitioning to encompass the broad-

based approach. These participants needed to also have an in-depth understanding of the objectives and how they were applying them in their organisations. Whereas if there was another option like a survey the researcher would be able to measure and compare the responses on a bigger sample and be even able to make assumptions based on common trends picked up.

The small sample selected meant that it reduced the potential to generalise. Population generalizability/Ecological generalizability/Temporal generalizability a major error made by qualitative researchers during the interpretation stage, according to Onwuegbuzie and Daniel (2003), is the tendency to generalise findings rather than employing qualitative data to acquire insights into the underlying processes and practises that exist in a specific place (Connolly, 1998). When utilising reasonably large representative samples, qualitative researchers should only attempt to generalise findings across many persons (population generalizability), regions (ecological generalizability), settings, contexts, and/or times (i.e., temporal generalizability). This study might not allow for generalizability based on the topic covered and the sample size.

Another limitation for this research was 'bias'. According to (Onwuegbuzie & Leech, 2007), researcher bias occurs when a researcher is unable to set aside personal biases or preconceived notions. This prejudice may be passed on to the participants unconsciously, influencing their actions, attitudes, and experiences. The researcher had to ensure that they were aware of their bias when interviewing the participants to avoid influencing the outcome of the study.

3.8 Delimitations of sample selection

This study intended to interview a prescribed set of participants with specific occupational levels and categories based on their level of experience and knowledge of the topic. However, during data collection it seemed rather challenging to confirm all the desired sample due to their unavailability and willingness to participate. In a few cases where the desired type of participant could not confirm their availability or consent to participate a decision was made to focus on a sample who still had knowledge and experience of the topic and not dwell too much on their occupational level. According to (Simon and Goes 2013),

limitations are restrictions that are mainly outside of your control but may have an impact on the study's results. Choices made in technique and study design can result in limitations. Every methodology and study design alternative has specific restrictions. These restrict the extent to which a study can go and occasionally have an impact on the outcome and conclusions that can be made.

3.9 Summary

This study used the chosen research methodology to ensure that the outcomes from the data would be analysed in manner that would deliver quality results. To answer all the research questions semi structured, open-ended interviews allowed for clarity to be provided when required and gave room for probing. The limitations of the method and data collection tool were outlined in this section. This research wanted to explore whether the implementation of the Amended Broad Based Black Economic Empowerment Framework had been effective in the private sector and to what extent it translated in the transformation of people's lives. In answering the research questions, the researcher needed to be also aware of their bias to avoid interpretative validity and influencing the outcome.

4 Results

4.1 Introduction

This section covers the findings from the semi structured interviews conducted with all the participants who are currently implementing or advising on the BBBEE strategy for their respective companies. The analysis highlights some of the findings that stood out from all the participants and gives an attempt to answer some of the research questions. This type of open-ended questions were designed to allow the participants to talk freely about the BBBEE implementation strategies, check their understanding of the research topic and explore their understanding of transformation and how it relates to the BBBEE Act. Several themes emerged from reviewing the data collected and this section of the analysis will unpack some of the findings that emerged.

4.2 Intentions for implementing the BBBEE Act

To assess the efficacy of the BBBEE legislation and how it is implemented the researcher asked all participants about their understanding of the intent of the legislation. All participants seemed to understand what the intent of the BBBEE Act was as some articulated:

‘’Overall, intention was we needed to have a vehicle that will be able to reach the gap between the power and the wealthy” said the Compliance Manager.

This suggest that there was a void that existed within the citizens of the country that made it challenging for some to access means of production, access to resources and means to acquire wealth. Another participant stated that *“In my own opinion the BBBEE Act was designed to include the previously disadvantaged people into the mainstream economy and participate actively. When I say participate actively it includes to participate in the business operations, shareholding and employment opportunities and general inclusivity”.*

This participant clearly sees the BBBEE legislation as a framework that will promote fairness and access for all and promote inclusion. Another participant asserted… “the BB-BEE is a vehicle to drive transformation in South Africa from the previously disadvantaged people. In this instance as referring to black people, how they can participate in in the economy, how they can improve their participation and in employment and how they can participate in small business development”.

Another participant simply stated... ‘’*So basically with regards to the broad based black economic empowerment Act, it meant to address the fact that it’s actually previously the economy was controlled basically by old white owned businesses. So, what they basically trying to do is trying to create a bit of equality in the market in terms of the previously disadvantaged sharing in on that wealth. Hence the reason why for BBBEE it becomes quite essential’’*

Most of the participants interviewed asserted that the BBBEE legislation’s primary intention was to advance the economic status of the previously excluded population and create a platform to enable economic emancipation.

4.3 Influenced by the South African historical context

In order to address the issue of transformation the researcher asked for understanding of the current status quo and how it relates to transformation. The political, economic, social, technological, environmental, and legal context of South Africa all influence the business environment. The legislative environment is mainly a response to some of the factors that affect the business environment, and it is for this reason that government reformed the labour legislation. The BBBEE Act is one of the legislations that is a result of the historical past tasked with the intention to redress the past injustices.

As one participant expressed, *“I agree with the BBBEE as a vehicle for transformation. Yes. I think we do need something in South Africa that will uplift the country in its totality, and you don't need to be a rocket science to understand where the problems are in terms of lack of skills development lack of opportunities and so therefore, I fully support and understand that they it needs to be some sort of legislation or code or whatever. You wanna call it that drives this transformation and to put right what was wrong for so many years”.*

Participants believed this legislation would be able to address the different areas that had been neglected by the previous government before the democratic elections and take over by the ANC led government. Another participant simply stated, *“There's quite a lot of aspects that we need to take into consideration of why government has introduced BEE legislation and the first rationale that comes to my mind is the concept of redress.”*

Participants were aligned with the notion that the BBBEE legislation would somehow be the ‘beacon of hope’ for the marginalised. One asserted, ‘’*I think it was intended #1 to give everyone a opportunity fair opportunity’’.*

4.4 The racial divide

The question about transformation led to the discussion about race and how it featured mostly in the private sector as companies were compelled to comply to the demographics of the country and employ across different demographics. The

racial discussion was very prominent in the participant's responses as many attributed the efficacy of the BBBEE implementation to the impact it was supposed to make on the 'black' people but noted that this was at the expense and exclusion of other races.

According to one participant *"You know we are sitting in a country where we've got quite a large amount of history in terms of segregation, in terms of apartheid policies as well as you know tough times that were faced whereby there was this component of separation of races"*

The legislation is clear in trying to address the challenges that were faced by specific races which are categorised as 'black' in the legislation. As stated by another participants, "*I'm in South Africa and what the legislation is trying to do is to redress or address that past by bringing into those affected, which are obviously black people. You're African, Indian, Colored, South African citizens by birth or December, naturalization that were affected by those rules and laws during the apartheid regime. Trying to introduce them into the economy, trying to bring them into some sort of economic activities within".*

This is somehow viewed as reversing the work of 'uniting' the races and the notion of a rainbow nation. Some participants noted the challenge that other 'white' people had with giving away a percentage of the ownership of their business. One participant expressed, "*And one of the articles that I've recently written in the Media, I spoke about a Birds Eye view in terms of the BEE industry and in that article I made reference to an example whereby I had a conversation with a white individual that has a family owned business. When you have those types of conversations with individuals that are not willing to relinquish any ownership within that business because again, it was established from a family owned, from a family perspective, it's a family-owned business. It's been in our in our family for four generations. 1 does not really understand or realize how did you get to establish a family-owned business in the environment of apartheid in the environment of obviously pre-1994, a lot of individuals lose sight of the opportunities".*

Another stated, "So looking at private sector in the two industries that I've just mentioned, top challenge is resistance. To say why is this a bee thing imposed on us? When we have worked so hard to get where we are and then government comes with this policy to say we must transform and therefore it means we must dilute. Uh shareholding, so that's the biggest challenge".

This confirms that participants noted that there was still resistance with the implementation particularly where it concerned giving a stake or ownership to black people.

4.5 Efficacy of the BBBEE Implementation

Is BBBEE effectively implemented in the private sectors and what are the reasons for the implementation? The BBBEE scorecard is one tool that encourages organisations to have structure and set realistic goals about how to measure and achieve certain targets related to their operational requirements. As stated by this participant, *"BBBEE legislation, it also helps the business to actually, you know, become a bit more structured and a lot more corporate governance is established within business, could be legislation. Now from my experience, I've identified that, you know businesses have you know structure, but you'll see once they start going through BBBEE verification or a BBBEE planning process, you find a lot more structures coming about you know the making sure that they comply to Department of Labor legislation for example with Employment Equity targets".*

Correspondingly, there is some overlap or interrelation between the scorecard elements of the BBBEE scorecard. According to a participant, *"And it's made-up of different elements as you have mentioned. You can't just because now you're looking at active participation of black business. Black people and businesses and that speaks to ownership. You have to have other elements incorporated to reach you know the maximum scorecard compliance. So yes, I work closely with other elements and don't just focus one one".*

In addition, most participants noted that the BBBEE legislation was effectively implemented in most private companies simply because of the consequences

that came as a result of not implementing the legislation. One participant clearly stated that, ‘we are able to get more business if we achieve a BEE status level above our competitors”. This suggest that most of the private companies implement BBBEE legislation for the competitive advantage and not because they are truly committed to the transformation agenda.

Some participants on the other hand have incorporated BBBEE into their company strategy as expressed by this participant, “ “so my role I work for a development funding institution and my role is to ensure that all our invested companies and participate actively in transformation. And then we have a transformation strategy in the organization that is very clear that we need to get all our clients to be compliant”.

Can the implementation of the BBBEE legislation be manipulated? The efficacy of the implementation is largely dependent on the ‘buy-in’ from the organisation and willingness to incorporate the implementation into the organisation’s strategy.

In addition, some companies have found creative ways of scoring on key elements like Ownership, or Preferential Procurement and Supplier Development as these are two of the priority elements. The other participants stated, “*Do we have available to pull in terms to get them to where they wanna be in terms of their BBBEE levels. I do assessment to check if they need to be a level 4? How do we get to a level 4 and with what strings to pull? Do we have ownership, is ownership an option is there availability opportunity. In these talks we review management structure in terms of executive directors and so on. What can we do in skills, procurement enterprise supply and Social Development and all of that so that's what we do”.* This confirms that private companies will find ways to be compliant or to achieve a certain BBBEE level.

4.6 Transformation

Can the transformation be because of the BBBEE implementation, or can it be ascribed to other factors? The definition of transformation is ‘loosely’ tied to the BBBEE Act but with different interpretations. Some participants felt strongly that

true transformation is an ‘ideal’ that everyone aspires for but still needs a lot of work.

While in some cases there are companies who have not bought into the transformation agenda but have managed to just comply and do the bare minimum. Similarly, some organisations have mastered the art of achieving the maximum points but with minimal impact or visible transformation on the ground. One participant stated, *That the implementation on his own as just a a site function to the business and I assumed responsibility for the role. It was my job to ensure that our scorecard is aligned to the strategy and then comes one of the ways in which our strategy is implemented in the sales area. And I did this by ensuring that first of all in the business strategy there was, there was a point where. We had to have AB scorecard equal or better than our competitors. So that one overarching goal. And then in the individual elements we had to ensure that we executed them in a way that was beneficial to the business. So for example, apart from ownership which we know and the company made a decision with ownership to become 25% + 1 vote and black-owned, which was almost mandatory in the scorecard.*

The was a clear objective of why some organisations implemented BBBEE as it benefited them and put them in a better position as compared to their competitors. This is what one participant stated, “*We didn't do CSI in areas where we were not operating. We were in intentional about doing PSI in host mining communities where are either our employees were or where customers were operating. So that was my role. It was to integrate the BE scorecard and the initiatives to the company strategy and in in time achieve that that strategic requirement to be competitive in the sales area by being equal or better than our competitors”*.

On the other hand, there were a few organisations who go beyond what is required and go the extra mile, “*these are members that are going beyond just the score get approach, meaning that, you know, you've got the scorecard which has the elements, the methodologies, the calculations, the point weightings and how you actually obtain the score now bearing in mind that is just a compliance exercise. So you implement initiatives to meet those requirements from a scoring perspective and you obtain your level at the end of the day. They have really*

bought into the intent of BBBEE to bring about change". So this confirms that the BBBEE legislation is a catalyst for transformation in the private sector but unfortunately the impact is not enough.

4.7 The Vetting Agencies

Is BBBEE effectively implemented and what are the risks associated with the implementation?

Depending on the industry, the BBBEE is being implemented in compliance with additional sector-specific standards, which often include lengthy and complicated papers. However, these documents are crucial because they offer instructions for measuring compliance with policies and implementing new ones. Some participants noted that there is no proper way of regulating the BEE space as it is mostly open to interpretation and leaves room for manipulation. There are a few recognised and appointed organisations such as SANAS and the BEE Commission however these organisations do not have the power to enforce or lay down the rule of the law.

"Currently is that the DTI is very quiet on interpretation notices? What's in? What's out? How do you do this? How do you do that, so that is sort of being parked and handled by SANAS". The negative side on that is that SANAS communicates that through to the verification agency or agencies but it's not public knowledge. This suggest that most BBBEE practitioners and *Verification Analysts and Consultants are all applying their own understanding and interpreting the law as they apply it.*

In addition, the BBBEE practitioners and Consultants must be affiliated and be a part of a bigger community where they share knowledge and best practice like the BEE Chamber. The participant stated, "If you are not part of all the bodies and have ears on the ground with various verification agents and so on, you tend to only realize that your interpretation and was accepted in the previous verification is no longer accepted in this verification and that then sometimes create quite a nice way to fix but yeah, that's one of the key things is that when the verification is done".

On the other hand, it is quite clear that for BBBEE to be properly measured and verified by the agencies they must be regulated by SANAS. According to another participant, *“the verification agencies are very active in my opinion. I mean, SANAS is very strict on them following their verification manually and how to have systems and procedures that they need to put in place, you know, so they're very effective in my opinion. And they also sign as he has in the past. Uh, few years, I'll start from seven years ago. They go and assess this verification agencies and if they find any discrepancies. They strip them of their licenses so. Now I'm I can confidently say to say whoever is in the industry is completed enough to carry this work”.* This confirms that every legislation needs to be regulated and somehow reviewed to ensure there is no abuse of power in the implementation or to assess if the implementation is in line with the requirements.

5 Discussion

The study's objective was to assess the efficacy of the BBBEE legislation in the implementation in respect to the private companies. In addition, this study reviewed the understanding of transformation in association with the implementation of the BBBEE. This study contributed to the body of knowledge that is currently widely available. In answering some of the research questions this study attempted to understand if the creation of a black economic empowerment policy was able to create employment, reduce poverty and close the inequality gap. Rebranding the policy and promoting broad based black economic empowerment has also not achieved anything meaningful and sustainable in South Africa. Instead, the opposite is manifested through the widening gap of inequality, poor economic growth and declining GDP, increased unemployment and disparities in the interpretation and implementation of the B-BBEE framework by the private sector.

There has also been an increase in the rise of the middle class or those who are connected to people with power and access to the means of production. One is left to wonder if there is any efficacy in the monitoring and regulation and to what extent are the relevant organisations such as the Rating Agencies ensuring the implementation of the framework. To what extent can the

Amended B-BBEE framework achieve the desired objectives and result in the transformation of the previously disadvantaged majority of black South Africans.

5.1 Intent of the BBBEE Act

It was evident from the interviews conducted that most of the participants understood and supported the purpose of why the legislation came into effect. Most participants stated that this legislation was intended to promote economic emancipation and give access to the market to those who were previously excluded. In addition, the legislation through the scorecard elements such as Ownership, Management Control, Skills Development, Enterprise and Supplier Development and Socio-Economic Development would be able to measure and track the progress made as companies implement their BBBEE strategies. So, all participants were fully aware of the intention and supported it. The question that arose from some of the participants is whether the public understood or even knew about the intention of the BBBEE Act. Based on the media and recent incidents involving BBBEE there seems to be a need for education about this legislation.

5.2 South African Historical context

It is not possible to discuss the BBBEE legislation and ignore the unique South African context that has carved the path and need to have a legislation of this nature. One participant asserted, “b*y getting majority of the population into the workforce or in some sort of economic activity, you are bound to hit for success in terms of economic growth for the country you started to tip the scales in terms of the wealth within the hands of, you know, the minority race group in terms of them going through the majority. So those are the types of aspects to investigate, but you also need to make sure that it's the balance approach. It shouldn't be, you know, an approach that is going to be detrimental to our country and building of our country and needs to be a balanced approach and that's something that we can catch with our clients described often make sure that yes, you comply to legislation but also true impact on beneficiaries”.* This confirms that the South

African context requires this type of legislation to set the precedent and tone for the desired and necessary change.

On the other hand, the feedback from the interviews is that there is a big need for sensitisation and general education for the public. One participant expressed that, "*you know you need to make sure that you sensitize individuals of how legislation works, especially from a big perspective. You know, when talking about these types of topics".* This suggests that the ordinary citizens out there don't have the basic knowledge of why implement the BBBEE legislation.

The participant went on to state, "s*o I do believe that individuals out there do not understand why we don't implement or when we do implement legislation and just generally the public also do not understand. I mean you would have seen recently with the 'Dischem' situation. On social media, I looked at all the comments and I'm thinking to myself shoo, there's a lot of individuals that don't understand and rightfully so there. I mean, it's not the duty of the public to understand the legislation of course, but there's a lot of misconceptions and misunderstanding in terms of legislation how the public perceive BBBEE,* and we all know the media obviously looks at articles that will sell.

This assertion is a confirmation of our historical contexts as South Africans of how things can be blown out of proportion and cause a chaos but all emanating from lack of knowledge and misconception.

5.3 The Racial divide

The categorisation of race is closely linked to power, access, status, opportunities, and respect for South Africans and unfortunately it is one contentious subject that cannot be ignored. One participant said, "*it is not as easy as one would want it to be, because you know, again when we touch and talk about the concept of race in South Africa, it is always a difficult topic to talk about, but it's something that we need to continuously talk about or else we will not be able to make progress".* The BBBEE legislation evokes different emotions for the participants depending on their racial groupings and their social standing.

Common sense still operates very much in this way. This racial categorization was frequently the site of racial privilege and discrimination, but it is now the location of redress because there is no other way to remove the harm and create fair treatment (Posel, 2001).

5.4 Efficacy of the BBBEE Implementation

There continues to be evidence that the level of compliance for the BBBEE compliance within the private companies and the organs of state remains low because of other reasons that are not linked to it being inefficient. For example in some companies the implementation is kept to a minimum just to be able to access business and tenders. While other companies are able to find creative ways of implementing and impacting lives simply because they have bought into the intent of the BBBEE and believe in transforming lives. These are companies that have even incorporated BBBEE into the company strategy and have structures in place to monitor progress made. This suggest that the BBBEE is effective but largely dependent on the implementation plan that is adopted by the company or organisation.

5.5 Transformation

The topic of transformations remains complex because it uncovers the many definitions that people associated it with. One participant stated, "*The transformation according to the true BEE is broader. As you heard me earlier say, broadening it BBBEE is brought so and it accommodates a lot of industries and you will agree with me that it is about 10 sectors that are guided by the BBBEE Act on how to implement transformation. So my answer is yes, yes you can have your other charter. Legislations that you can find that maybe to develop transformation, but if you also look at the 2030 National Development Plan is heavy on transformation. So I think for now it is the one of the best tools.* It will be act or legislation that you can use to bring about active transformation in the country.

Most of the participants confirmed that they believed that the BBBEE legislation was the one vehicle that would promote transformation in the country if properly implemented and there is buy-in from all parties involved and affected.

5.6 The Verification Agencies

SANAS, the BEE Commissioners and the DTI are currently the appointed bodies that are supposed to regulate the BBBEE environments and provide guidance, when necessary, with regards to unethical or incorrect implementation that is not aligning to the objectives and intent of the BBBEE. In addition, the BEE Commissioner has jurisdiction throughout South Africa to promote good corporate governance and accountability for all organisations that are implementing the Act. People are aware of the objectives of the existence of the BEE Commissioner.

The challenge expressed by other participants is that they are not convinced that the investigations conducted are all given the same attention and there is no public knowledge of the consequences unless it is those famous cases that are discussed by the media. Some of the participants were not clear of the procedure to be followed for laying complaints against claims for act that opposed the objectives of the Act.

Correspondingly, the feedback from the participants is that there are still loopholes, especially when you consider how much power the ‘consultants’ have in this process as they are tasked with advising their clients on the BBBEE strategy. This highlights some of the risks that may emerge as a result of organisations implementing the BBBEE legislation.

6 Conclusion and Recommendations

This study adopted the qualitative approach and research methodology in order to explore the efficacy of the BBBEE implementation, and to ascertain to what extent it has resulted in transformation. This study hopes to add on the already existing body of research about the topic. The study supports the other studies already conducted that confirms that BBBEE is not compulsory but is advisable

if you want to conduct business with a government department, government owned enterprise or other entities. Government encourages businesses to be compliant as this can open many opportunities for you to operate in successfully South Africa.

It is evident from the findings and the discussions that the Amended Broad Based Black Economic Empowerment Act was meant to be used as one of the vehicles that would result in tangible change in the lives of black South Africans. However, there are a number of recommendations to be considered until there is consensus about the transformation as a result of this policy framework:

There is no guided stakeholder collaboration or coordinated governmental departmental body that facilitates for smooth partnership with the roll out of the BBBEE elements. Perhaps there is also a need to review the ‘’weight’’ allocated to some of the elements as compared to the others if they are aimed at bringing socio economic development. The designated regulatory body responsible for BBBEE is not seen to be enforcing and laying the law. The ‘’watchdog’’ or ‘’police’’ of the BBBEE is not assertive enough and is susceptible to be influenced.

Additionally, there is a general consensus among some of the players in this field that the BBBEE Act is one of the best "vehicles" for promoting "transformation" and bringing about noticeable changes in people's lives when properly implemented, with companies having a clear strategy that incorporates the BBBEE strategy and complete buy-in from the decision makers.

- The correct departments that are responsible for economic development and policy development must collaborate and be more active in the regulating of the BBBEE legislation
- There is a need for a more concerted effort from all the organs of state to implement and adhere to the BBBEE. All government departments must lead by example and fully comply to the BBBEE legislation
- Private companies must invest more in the education, training and raising awareness of the reasons why this Act exist and why adherence to it should be more than a tick box exercise.

- More private companies must incorporate the BBBEE strategy into the overall company strategy to ensure complete ‘buy-in’ and meaningful transformation.
- More effort should be put into capacitating and empowering the BBBEE practitioners in the private companies.
- The regulatory bodies responsible for the BBBEE should be more visible in society as they conduct their regulatory and advocacy work. The outcome of the complaints must be made transparent to deter future non compliance.
- There should be a clear guideline for regulating SANAS and the BEE Commissioner.

Future study recommendation can attempt to review and unpack one specific element of the scorecard like the Socio-Economic Development element which is weighted so low as compared to the other elements like Enterprise and Supplier Development. This would allow the future study to conduct an in-depth review of the impact and transformation that has resulted in the implementation of this specific element and have future recommendations to increase the target from 5 points to 10 points.

In conclusion this study can confirm that the BBBEE legislation is effective and is able to contribute to transformation. However, it is difficult to confirm to what extent transformation has resulted due to effective implementation of the BBBEE Act in some private organisations as it is clear that the intention and motive for implementation is not the same. There needs to be a concerted effort from all stakeholders to commit to addressing the challenges of high unemployment, poverty and inequality which would be a measure of transformation.

REFERENCES

Andrews, M. (2008). *Is Black Economic Empowerment a South African Growth Catalyst?* Retrieved from Centre for International Development at Harvard University website: http://wits.summon.serialssolutions.com/2.0.0/link/0/eLvHCXMwlV1LS8QwEB7ciuBNUfHNHPXQ0G3axu5FsLTuii9EvZakSdk9WJakIv57k3aL4m2PCUxekPkyk5n5AGhIAv-fTmCpuKoSJmQkRVpRllZWedZRrOxdq8OO-

BEE is crucial part of economic recovery after pandemic, says Cyril Ramaphosa. (n.d.). Retrieved 10 December 2022, from BusinessLIVE website: https://www.businesslive.co.za/bd/national/2022-05-30-bee-is-crucial-part-of-economic-recovery-after-pandemic-says-cyril-ramaphosa/

Booysen, L. A. E., & Nkomo, S. M. (2010). Employment Equity and Diversity Management in South Africa. *International Handbook on Diversity Management at Work*. Retrieved from https://www.elgaronline.com/view/edcoll/9781847208903/9781847208903.00017.xml

Chabane, N., Roberts, S., & Goldstein, A. (2006). The changing face and strategies of big business in South Africa: More than a decade of political democracy. *Industrial and Corporate Change*, *15*(3), 549–577. https://doi.org/10.1093/icc/dtl011

Creswell, J. W., & Clark, V. L. P. (n.d.). Principles of Qualitative Research: Designing a Qualitative Study. *Mixed Methods Research*.

du, P. A. (2022). The Legal Combatting of B-BBEE Fronting Practices in South Africa – Past and Present. *Stellenbosch Law Review*, *33*(3), 396–418. https://doi.org/10.47348/SLR/2022/i3a3

Elbra, A. D. (2013). The forgotten resource curse: South Africa's poor experience with mineral extraction. *Resources Policy*, *38*(4), 549–557. https://doi.org/10.1016/j.resourpol.2013.09.004

Elibiary, A. (n.d.). *The pitfalls of addressing historic racial injustice: An assessment of South Africa's Black Economic Empower- ment (BEE) policies*. 22.

Espi, G., Francis, D., & Valodia, I. (2019). Gender inequality in the South African labour market: Insights from the Employment Equity Act data. *Agenda*, *33*(4), 44–61. https://doi.org/10.1080/10130950.2019.1674675

Fergus, E., & Collier, D. (2014). Race and gender equality at work: The role of the judiciary in promoting workplace transformation. *South African Journal on Human Rights*, *30*(3), 484–507. https://doi.org/10.10520/EJC165120

Freund, B. (2007). South Africa: The End of Apartheid & the Emergence of the 'BEE Elite'. *Review of African Political Economy*, *34*(114), 661–678. https://doi.org/10.1080/03056240701819533

Gender Inequalities in the Workplace: Case Study of South Africa. (2021). *MANAGEMENT AND ECONOMICS REVIEW*, *6*(1). https://doi.org/10.24818/mer/2021.06-06

Govenden, P., & Chiumbu, S. (2020). Critiquing Print Media Transformation and Black Empowerment in South Africa: A Critical Race Theory Approach. *Critical Arts*, *34*(4), 32–46. https://doi.org/10.1080/02560046.2020.1722719

Grau, A. (2022). Ownership Transactions must withstand Scrutiny. *TFM Magazine*, *2022*(25), 10–14. https://doi.org/10.10520/ejc-tfmmag_v2022_n25_a2

Guest, G., MacQueen, K. M., & Namey, E. E. (2011). *Applied Thematic Analysis*. SAGE Publications.

Horwitz, F. M., & Jain, H. (2011a). An assessment of employment equity and Broad Based Black Economic Empowerment developments in South Africa. *Equality, Diversity and Inclusion: An International Journal*, *30*(4), 297–317. https://doi.org/10.1108/02610151111135750

Horwitz, F. M., & Jain, H. (2011b). An assessment of employment equity and Broad Based Black Economic Empowerment developments in South Africa. *Equality,*

Diversity and Inclusion: An International Journal, *30*(4), 297–317. https://doi.org/10.1108/02610151111135750

Joubert, M. (2022). Devil's in the detail: How to assess transformation of the South African private sector. *Transformation: Critical Perspectives on Southern Africa*, *109*(1), 51–79. https://doi.org/10.1353/trn.2022.0012

Lindsay, D. M. (n.d.). *BEE informed: A diagnosis of black economic empowerment and its role in the political economy of South Africa*. Retrieved from https://go.exlibris.link/YJ3yVsMC

Mbeki, M. 2009. Architects of Poverty. Why African Capitalism Needs Changing. Published by Picador Africa.

Nardhamuni, R., Greenslade, K., & van Zijl, W. (2022). An analysis of the use of share-based payments by the JSE Top 100 companies. *South African Journal of Accounting Research*, *0*(0), 1–21. https://doi.org/10.1080/10291954.2021.2008610

Nobaza, L. (2014). BEE share-purchase deals: South Africa's biggest corporate fraud : South Africa. *New Agenda: South African Journal of Social and Economic Policy*, *2014*(56), 44–45. https://doi.org/10.10520/EJC164498

Nobaza, L. (2015a). Anything but charity - fixing the ills of BEE share purchase schemes: South Africa. *New Agenda: South African Journal of Social and Economic Policy*, *2015*(58), 12–15. https://doi.org/10.10520/EJC172570

Nobaza, L. (2015b). Anything but charity - fixing the ills of BEE share purchase schemes: South Africa. *New Agenda: South African Journal of Social and Economic Policy*, *2015*(58), 12–15. https://doi.org/10.10520/EJC172570

Posel, D. *(2001).* What's in a name? Racial categorisations under apartheid and their afterlife. TRANSFORMATION-DURBAN- - ia.eferrit.com

Patel, L., & Graham, L. (2012). How broad-based is broad-based black economic empowerment? *Development Southern Africa*, *29*(2), 193–207. https://doi.org/10.1080/0376835X.2012.675692

Ponte, S., Roberts, S., & van Sittert, L. (2006). *To BEE or not to BEE? South Africa's 'Black Economic Empowerment' (BEE), corporate governance and the state in the South* (Working Paper No. 2006:27). DIIS Working Paper. Retrieved from DIIS Working Paper website: https://www.econstor.eu/handle/10419/84601

Presidency unveils new BBBEE advisory panel. (n.d.). Retrieved 10 December 2022, from BusinessLIVE website: https://www.businesslive.co.za/bd/national/2022-06-02-presidency-unveils-new-bbbee-advisory-panel/

Rall, S.-A. (n.d.). Dis-chem faces backlash over 'no-whites' moratorium. Retrieved 10 December 2022, from https://www.iol.co.za/news/south-africa/kwazulu-natal/dis-chem-faces-backlash-over-no-whites-moratorium-68608fef-9c52-49b6-a80e-252ba35e3f1a

Ramlall, S. (2012). Corporate social responsibility in post-apartheid South Africa. *Social Responsibility Journal*, *8*(2), 270–288. https://doi.org/10.1108/17471111211234888

Rankin, J. (2019). Forewarned is forearmed—What to expect from your verification agency. *TFM Magazine*, *2019*(18), 41–44. https://doi.org/10.10520/EJC-1a755270e2

Shangase, G. M. (n.d.). *Examining the Effectiveness of BEE Implementation: A Case Study of Eskom Restructuring 1995-2005*. 1.

Shava, E. (2016). Black Economic Empowerment in South Africa: Challenges and Prospects. *Journal of Economics and Behavioral Studies*, *8*(6(J)), 161–170. https://doi.org/10.22610/jebs.v8i6(J).1490

Southall, R. (2007). Ten Propositions about Black Economic Empowerment in South Africa. *Review of African Political Economy*, *34*(111), 67–84. https://doi.org/10.1080/03056240701340365

Swastika, J., Renitha, R., & K, R. (2013). Corporate responsibility for socio-economic transformation: A focus on broad-based black economic empowerment and its implementation in South Africa. *African Journal of Business Management*, *5*(20), 8224–8234. https://doi.org/10.5897/AJBM11.651

Tangri, R., & Southall, R. (2008). The Politics of Black Economic Empowerment in South Africa. *Journal of Southern African Studies*, *34*(3), 699–716. https://doi.org/10.1080/03057070802295856

Van, W. M. (2021). A technical signatory does not roll the dice. *TFM Magazine*, *2021*(21), 39–45. https://doi.org/10.10520/ejc-tfmmag-v2021-n21-a9

7 ANNEXTURES: A Ethics Clearance Certificate



Graduate School of Business Administration
University of the Witwatersrand, Johannesburg

Wits Business School Ethics Committee

Constituted under the University Human Research Ethics Committee (Non-Medical)

Ethics Clearance Certificate

Ethics protocol number:	WBS/BA0305083J/782

This certificate is only valid with a legitimate ethics protocol number and signed by the Researcher (below).

Project title	The effectiveness of the implementation of the BBBEE Act on ensuring transformation in South Africa
Investigator / Researcher	Mrs Judy Vilakazi
Nature of Project	MBA (Research Article)
Decision of the Committee	Approved, provided stakeholders and participants are guaranteed confidentialty.
Issue Date of Certificate	2022-09-01
Expiry date	Date of submission of the project / research report
Chairperson	Prof Anthony Stacey

☎ +27 11 717 3587
+27 82 880 4531
anthony.stacey@wits.ac.za



Declaration by

Researcher

One copy must be signed by the Researcher and returned to the Chairperson of the Wits Business School Ethics Committee.

I fully understand the conditions under which I am authorized to carry out the abovementioned research and I guarantee to ensure compliance with these conditions. Should any departure to be contemplated from the research procedure as approved I undertake to resubmit the protocol to the Committee.

Signature Date:

8 ANNEXTURE: B Participance Consent Forms

9 Annexure: C Semi-structured Interview Questionnaire.