

Assessing the Impact of Broad-Based Black Economic Empowerment (B-BBEE) on Socio-Economic Inequality in South Africa: Comparative Lessons from Slovakia and France

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Abstract

Broad-Based Black Economic Empowerment (B-BBEE) Act, No. 53 of 2003 was introduced as one of South Africa's central tools for correcting the deep socio-economic inequalities created by apartheid. Designed as a transformative policy, it aims to expand meaningful economic participation for historically marginalised groups through equity ownership, skills development, enterprise support, and preferential procurement. This paper investigates whether B-BBEE, as a mechanism of redress, has effectively challenged structural inequality or whether it has unintentionally reproduced and exacerbated the very disparities it sought to resolve. Using a qualitative research approach, the study examines the Foundations and the evolution of B-BBEE legislation, its practical outcomes, and its socio-economic impact on different demographics. The study compares the South Africa's Socio-Economic with the ones of Slovakia and France. The paper concludes that the B-BBEE is a fallacy unless its intentions are redefined to clear implementations and accountability mechanisms.

Keywords: B-BBEE, Redress, Socio-economic Inequality, Transformation, Empowerment Policy, South Africa.

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1. Introduction

South Africa's shift to democracy in 1994 confronted the country with an immense task: undoing the deep and deliberately engineered economic inequalities produced by apartheid.³ Broad-Based Black Economic Empowerment (B-BBEE)

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³ The 1994 elections ended apartheid and created South Africa's first multiracial democracy, with Nelson Mandela as president. Over 19 million South Africans voted in a free and fair election, watched closely by

emerged as one of the most ambitious instruments intended to restructure the economy and open genuine economic participation for those historically excluded.⁴ Although the policy promised broad-based transformation, its outcomes have been far more disappointing.⁵ Almost three decades later, Broad-Based Black Economic Empowerment (B-BBEE) reflects a striking contradiction while it has created tangible opportunities for some, it has also reproduced patterns of exclusion and elite consolidation that echo the injustices it was meant to correct. The magnitude of the inequality Broad-Based Black Economic Empowerment (B-BBEE) sought to confront remains staggering. South Africa still records the highest income inequality globally, with a Gini coefficient of 0.66 that has barely shifted since the end of apartheid. These inequalities continue to fall along entrenched racial and gender divisions, producing parallel economic realities within a single country.⁶

The endurance of such extreme disparities, despite extensive empowerment initiatives, highlights the shortcomings of current strategies and signals the urgent need to rethink how economic redress is pursued. In addition, although B-BBEE's design promised to advance transformation through equity ownership, skills development, enterprise support, and preferential procurement, the lived outcomes diverge sharply from its theoretical strengths.⁷ Instead of uplifting large numbers of disadvantaged citizens, evidence shows that benefits have concentrated among politically connected individuals.⁸ This trend reflects a form of elite enrichment that resembles apartheid-era exclusion, suggesting that the policy has replaced one dominant class with another rather than restructuring the broader economic landscape. A combination of systemic failures has enabled this pattern of elite capture. Shava revealed widespread challenges including corruption, fronting, weak monitoring, and ineffective accountability systems that have eroded the integrity of the policy's implementation.⁹ These weaknesses have contributed to the rise of so-called "entrepreneurs, individuals who exploit empowerment frameworks for personal gain without contributing to job creation or inclusive growth. This dynamic not only undermines the intended purpose of Broad-Based Black Economic Empowerment (B-BBEE) but also distorts the very tools designed to promote equitable development.

international monitors.

⁴ In 2003, the Broad-Based Black Economic Empowerment (B-BBEE) Strategy was published as a precursor to the B-BBEE Act, No. 53 of 2003. The fundamental objective of the Act is to advance economic transformation and enhance the economic participation of black people in the South African economy.

⁵ David Francis, Imraan Valodia, „Black Economic Empowerment (BEE) in South Africa: Introduction and a review of the labour market literature”. *Transformation: Critical Perspectives on Southern Africa*, vol. 109, Special Issue, 2022: 1-20, <https://doi.org/10.1353/trn.2022.0010>.

⁶ Ibid.

⁷ Amira Eliabary, *The pitfalls of addressing historic racial injustice: an assessment of South Africa's Black Economic Empowerment (BEE) policies*, Friedrich-Naumann-Stiftung für die Freiheit. 2010, vol 21. Available at: <http://edoc.vifapol.de/opus/volltexte/2011/3137/>, accessed on 10 January 2026.

⁸ Roger Tangri, Roger Southall. „The politics of black economic empowerment in South Africa”. *Journal of Southern African Studies*, vol 34, no, 3, 2008: 699-716, <https://doi.org/10.1080/03057070802295856>.

⁹ Elvin Shava, „Black economic empowerment in South Africa: Challenges and prospects”. *Journal of Economics and Behavioral Studies*. Vol. 8, No. 6, 2016: 161-170, [https://doi.org/10.22610/jebbs.v8i6\(J\).1490](https://doi.org/10.22610/jebbs.v8i6(J).1490).

Furthermore, Broad-Based Black Economic Empowerment (B-BBEE) also suffers from foundational design limitations shaped by South Africa's broader economic policy framework. Scholars argue that meaningful transformation cannot occur within the confines of a market-driven system that prioritises stability over structural change.¹⁰ This tension between transformative intent and market-based practice has resulted in a policy that often symbolise empowerment more than it delivers substantive, economy-wide redistribution. These limitations manifest clearly in patterns of participation across various sectors. Although some industries have diversified racially at senior levels, the gains largely reflect the inclusion of a narrow black elite into existing corporate structures. This has left core power relations intact and contributed to widening income inequality within the black population. Such outcomes point to a troubling reality: instead of disrupting structural inequality, Broad-Based Black Economic Empowerment (B-BBEE) has often reproduced it under a new guise.¹¹ The continued persistence of these challenges despite multiple policy revisions reveals that incremental adjustments are insufficient. Vilakazi and Bosiu suggests that while Broad-Based Black Economic Empowerment (B-BBEE) has produced some positive outcomes, its overall impact remains constrained, especially regarding barriers that hinder broad-based economic participation.¹²

The policy's emphasis on targets of ownership and compliance scorecards does not adequately confront the deeper structural obstacles that sustain exclusion. These shortcomings carry profound implications not only for economic redress but also for democratic legitimacy. When empowerment frameworks disproportionately enrich a select few while leaving the majority behind, they risk eroding public confidence in democratic institutions and in the fairness of the economic system. Given that Broad-Based Black Economic Empowerment (B-BBEE) represents one of the most significant socio-economic interventions in post-apartheid South Africa, its mixed outcomes shape not only the future of economic transformation but also the credibility of the nation's democratic project.¹³ This research has conducted a comparative analysis. For instance, the socio-economic impacts in Slovakia are intricate and influenced by numerous factors, such as productivity, participation in global value chains, and changes in demographics.¹⁴ Additionally, in France, the socio-economic factors significantly

¹⁰ Stefano Ponte, Simon Roberts, Lance Van Sittert. „Black economic empowerment', business and the state in South Africa". *Development and Change*. vol 38, no, 5, 2007: 933-955. <https://doi.org/10.1111/j.1467-7660.2007.00440.x>.

¹¹ Prinola Govenden, Sarah Chiumbu. „Critiquing print media transformation and black empowerment in South Africa: A critical race theory approach". *Critical Arts*. vol 34, no, 4, 2020: 32-46. <https://doi.org/10.1080/02560046.2020.172271>.

¹² Thando Vilakazi, Teboho Bosiu, „Black Economic Empowerment, Barriers to Entry, and Economic Transformation in South Africa", In: Antonio Andreoni, Pamela Mondliwa, Simon Roberts, Fiona Tregenna (eds.) *Structural transformation in South Africa: The Challenges of Inclusive Industrial Development in a Middle-Income Country*, Oxford Academic, 2021, pp. 189–212, <https://doi.org/10.1093/oso/9780192894311.003.0009>.

¹³ David Francis, Stacey-Leigh Joseph, Michael Sachs, Imraan Valodia, „Black Economic Empowerment (BEE) in South Africa: themes and research directions". *Transformation: Critical Perspectives on Southern Africa*, vol. 109, Special Issue, 2022: i-vi, <http://dx.doi.org/10.1353/trn.2022.0009>.

¹⁴ European Commission, Directorate-General for Economic and Financial Affairs, *In-Depth Review 2025*

impact the country's economic stability and growth. High levels of government spending, particularly in sectors like pensions, healthcare, housing, and unemployment benefits, pose challenges to fiscal sustainability.¹⁵ Hence, the main objective of this study is to critically examine whether B-BBEE has effectively addressed South Africa's persistent socio-economic inequalities or whether it has unintentionally reinforced new forms of exclusion and elite enrichment.

2. Historical Foundations and the Evolution of B-BBEE as a Redress Mechanism

The historical roots and development of Broad-Based Black Economic Empowerment (B-BBEE) reflect one of South Africa's most ambitious efforts to confront and reverse the deep economic inequalities produced by apartheid. As the democratic era began in 1994, it became clear that political freedom alone was insufficient; genuine transformation required reconfiguring an economy that had been deliberately structured to exclude the black majority.¹⁶ Broad-Based Black Economic Empowerment (B-BBEE) therefore emerged as a targeted attempt to correct decades of systematic marginalization and to create pathways for meaningful economic participation among historically disadvantaged groups. Under apartheid, which shaped South African society from 1948 to 1994, the state engineered a racially stratified economy designed to secure white economic dominance.¹⁷ Legislation such as the Bantu Education Act,¹⁸ the Extension of University Education Act,¹⁹ and the Mines and Works Act²⁰ ensured that black people were confined to underpaid, unskilled labour while white South Africans monopolised skilled work, capital accumulation, and economic opportunities.²¹ This carefully constructed system produced a severe imbalance in access to skills, resources, and capital, leaving behind structural inequalities that persisted long after apartheid's formal end. When apartheid ended, the new government inherited an economy rooted in racial exclusion, where black South Africans remained largely shut out from ownership, decision-making, and meaningful economic participation.²² To respond to this legacy, early Black Economic

Slovakia, Institutional Paper 315, May 2025, https://economy-finance.ec.europa.eu/publications/depth-review-2025-slovakia_en, accessed on 10 January 2026.

¹⁵ Sven Jari Stehn, Filippo Taddei, Alexandre Stott, James Moberly, Niklas Garnadt, Katya Vashkinskaya, Giovanni Pierdomenico, *France — Economic Challenges and Opportunities (Stott)*, Goldman Sachs, 2025-08-29. Available at: <https://www.gspublishing.com/content/research/en/reports/2025/08/29/8420587e-13eb-48a9-aeaa-a0dce5d3d890.html>, accessed on 10 January 2026.

¹⁶ Amira Eliabary. *The pitfalls of addressing historic racial injustice: an assessment of South Africa's Black Economic Empowerment (BEE) policies*.

¹⁷ Ibid.

¹⁸ Bantu (Blacks) Education Act 1953 (Act No. 47 of 1953; later renamed the Black Education Act, 1953).

¹⁹ Extension of University Education Act, Act 45 of 1959.

²⁰ Mines and Works Act 27 of 1956.

²¹ Stefano Ponte, Simon Roberts, Lance Van Sittert. „'Black economic empowerment', business and the state in South Africa", pp. 933-955.

²² Mavis B Mhlauli, End Salani, Rosinah Mokotedi, „Understanding apartheid in South Africa through the racial contract". *International Journal of Asian Social Science*, vol. 5, no. 4, 2015: 203-219. <https://doi.org/>

Empowerment policies were introduced as a mechanism for economic redress and structural reform. These interventions sought to reconfigure economic power relations and confront the persistent inequalities that continued to reflect apartheid's enduring influence.²³

Black Economic Empowerment (BEE) has long been one of the African National Congress's (ANC) key strategies for restructuring South Africa's economy and addressing the inequalities inherited from apartheid.²⁴ Its importance is evident in the ANC's policy history, dating back to the 1969 Strategy and Tactics document, which stressed that political freedom alone was insufficient without simultaneously transforming economic ownership. The ANC argued that liberation would remain incomplete if wealth and land continued to be concentrated in the hands of a minority, warning that retaining apartheid-era economic structures would reinforce racial dominance and undermine meaningful freedom.²⁵

As South Africa moved closer to democracy, the ANC's commitment to economic redress deepened. Its 1992 Policy Guidelines outlined a comprehensive framework for reshaping the country's social and economic environment, identifying key areas such as land reform, housing, education, health, and social welfare as essential components of empowerment.²⁶ These guidelines sought to create conditions that would enable the black majority to participate fully in the economy, with the explicit ambition of cultivating a strong African middle class. Importantly, the ANC emphasized that any plan to de-racialize the economy had to extend to leadership and management positions in both the public and private sectors, while also broadening equity ownership across all communities.²⁷

As the policy matured, government recognized that early BEE approaches had concentrated benefits among a small elite, failing to transform the wider economy. This led to the 2007 shift toward Broad-Based Black Economic Empowerment, supported by legislation and a detailed scorecard that expanded the focus beyond ownership. The new framework placed emphasis on management control, employment equity, skills development, procurement, enterprise development, and socio-economic investment to ensure that empowerment reached broader communities rather than a select few.²⁸

10.18488/journal.1/2015.5.4/1.4.203.219.

²³ David Francis, Stacey-Leigh Joseph, Michael Sachs, Imraan Valodia, „Black Economic Empowerment (BEE) in South Africa: themes and research directions”, pp. i-vi.

²⁴ Amira Elibiary. *The pitfalls of addressing historic racial injustice: an assessment of South Africa's Black Economic Empowerment (BEE) policies*.

²⁵ African National Congress (ANC), *A Strategy for Broad-Based Black Economic Empowerment* (DTI, 2003), https://www.gov.za/sites/default/files/gcis_document/201409/dtistrat1.pdf, accessed on 10 January 2026.

²⁶ Johnson attributes this to the Indian community's strong entrepreneurial and educational traditions which allowed them to build their own schools and family businesses during apartheid. He further goes on to say that those best endowed with the Protestant ethic have always been East European Jews and Indian Muslims and Hindus. R.W. Johnson, *South Africa's Brave New World – the beloved country since the end of apartheid* (England: Penguin Books, 2010) p. 385.

²⁷ ANC Policy Guidelines, 1992, <https://www.anc1912.org.za/policy-documents-1992-ready-to-govern-anc-policy-guidelines-for-a-democratic-south-africa/>, accessed on 10 January 2026.

²⁸ Prinola Govenden, Sarah Chiumbu. „Critiquing print media transformation and black empowerment in

Despite these reforms, the effectiveness of Broad-Based Black Economic Empowerment (B-BBEE) remains heavily debated. Although intended to broaden participation, the policy has been limited by the broader economic environment in which it operates. Instead of encouraging widespread entrepreneurship, it has at times created opportunities for politically connected individuals to enrich themselves without contributing to broader transformation.²⁹ This trend reflects a system where empowerment tools are sometimes misused, resulting in power imbalances and inequalities that resemble those of the apartheid era. Makgoba revealed that the policy has also been shaped by political narratives that frame it as radically transformative even when underlying power structures remain largely unchanged.³⁰ This has led to critiques that B-BBEE often incorporates a small black elite into existing capitalist structures without shifting who holds real economic power, thereby masking inequality behind the language of transformation.

South Africa's deep integration into global markets and its commitment to neoliberal economic principles has further shaped the evolution of B-BBEE. These constraints have limited the state's ability to pursue more radical forms of economic restructuring. Instead of dismantling racialised economic patterns, B-BBEE has sometimes facilitated what scholars call racial capitalism, where race becomes a tool used to legitimize existing inequalities.³¹ These dynamic benefits both established white capital and a new black elite, creating a convergence of interests that can impede transformative change.

The emergence of what is often referred to as the BEE elite illustrates both progress and limitations within the policy. While the development of a black business class can be seen as a necessary counterweight to entrenched white economic dominance, questions remain about whether this group has the capacity or intent to drive broader industrialization and social transformation. Although B-BBEE is accompanied by developmental state rhetoric, evidence shows that elite formation has not produced the far-reaching structural capabilities seen in other states pursuing developmental models.³² Francis and Valodia argued that the policy's strong focus on numerical targets has reduced transformation into a technical compliance exercise, overshadowing its deeper purpose of dismantling structural power imbalances.³³

South Africa: A critical race theory approach", pp. 32-46.

²⁹ Zamokuhle Mbandiwa, Emem O Anwana. „An overview of the B-BBEE Act and its impact on black entrepreneurs in South Africa". *Transylvanian Review*, vol. 27, no. 50, 2020: 15401-15407. Available at: <https://hdl.handle.net/10321/3493>, accessed on 10 January 2026.

³⁰ Metji Makgoba, „Constructing Black Economic Empowerment (BEE) as a radically transformative policy in South Africa: government v corporate discourse: Construction de la promotion économique des Noirs (BEE) en tant que Politique radicalement transformatrice en Afrique du Sud". *Critical African Studies*, vol. 14, no. 2, 2022: 199-217. <https://doi.org/10.1080/21681392.2022.2074485>.

³¹ Prinola Govenden, Sarah Chiumbu. „Critiquing print media transformation and black empowerment in South Africa: A critical race theory approach", pp. 32-46.

³² Bill Freund. „South Africa: The end of apartheid & the emergence of the 'BEE Elite'. *Review of African Political Economy*, vol. 34, no. 114, 2007: 661-678, <https://doi.org/10.1080/03056240701819533>.

³³ David Francis, Imraan Valodia, „Black Economic Empowerment (BEE) in South Africa: Introduction and a review of the labour market literature", pp. 1-20.

The future of Broad-Based Black Economic Empowerment (B-BBEE) depends on its ability to navigate complex tensions: the need for race-conscious policies to correct historical injustice, the demand for inclusiveness, and the risk of creating new patterns of exclusion. Effective transformation will require not only adjustments in ownership structures but significant changes in business practices, economic policy, and the distribution of resources and opportunities. Although Broad-Based Black Economic Empowerment (B-BBEE) remains a vital intervention for addressing apartheid's legacy, its current design and implementation limit its potential as a comprehensive redress mechanism. The policy's trajectory reflects broader national tensions between aspirations for deep transformation and the constraints imposed by political compromises and global economic pressures. Achieving meaningful redress will require approaches that integrate technical reforms with substantive changes to the structural conditions that perpetuate inequality in South Africa. The historical development of Broad-Based Black Economic Empowerment (B-BBEE) therefore represents a complex and ongoing effort to address past injustices through policy-driven transformation. While the policy has expanded economic participation and diversified ownership in certain sectors, its limitations underscore the difficulties of achieving deep structural change within an economy shaped by decades of racialised exclusion. Continued progress will depend on sustained political will, structural reforms, and a commitment to ensuring that empowerment benefits reach the broader population rather than a select few.

3. Assessing Policy Design- B-BBEE: Aspirations and the Main Objectives of B-BBEE

Broad-Based Black Economic Empowerment (B-BBEE) was developed as an extensive policy framework intended to reshape South Africa's economy and confront the entrenched inequalities produced by apartheid. Its design reflects an ambitious attempt to combine principles of social justice with economic reform, using market-based instruments to drive transformation. While the policy seeks to promote inclusive growth and redress historical disadvantages, its underlying objectives and theoretical foundations have generated ongoing academic debate about whether these aims can realistically be achieved within the existing economic system.³⁴ At its core, Broad-Based Black Economic Empowerment (B-BBEE) is framed as a structural intervention aimed at reorganising economic participation and correcting long-standing inequalities.³⁵ Poee highlighted that the policy is grounded in theories of equality that distinguish between equal treatment and substantive equality.³⁶ While equality of opportunity focuses on removing formal barriers, substantive equality requires direct

³⁴ Ibid.

³⁵ Ibid.

³⁶ David Poee, „Theoretical perspectives and the implementation of the BBBEE policy framework”. *Mediterranean Journal of Social Sciences*, vol. 4, no. 14, 2013: 635-42, <https://doi.org/10.5901/mjss.2013.v4n14p635>. Poee argued that the purpose of the paper is to provide a critique on the implementation of the Broad-based economic empowerment (BBBEE) policy framework against established theory.

intervention to address historical disadvantage and unequal starting points. The South African constitutional emphasis on formal equality has been identified as a possible reason for the uneven implementation of Broad-Based Black Economic Empowerment (B-BBEE), given that genuine transformation requires confronting structural and systemic inequalities rather than merely ensuring non-discrimination.³⁷

The foundation of Broad-Based Black Economic Empowerment (B-BBEE) draws strongly on social justice theory, which emphasizes fairness in the distribution of resources, opportunities, and outcomes within society. Transformation requires more than access it demands outcomes that correct historical injustices. At the same time, the policy incorporates elements of *Pareto efficiency*,³⁸ seeking to improve the position of historically disadvantaged groups without significantly disadvantaging existing economic actors.³⁹ This balancing act is reflected in government guidance that empowerment measures should not impose unfair burdens on businesses or sectors. Broad-Based Black Economic Empowerment (B-BBEE) is also understood as a mechanism for reshaping the economic systems that have historically restricted access and innovation.⁴⁰ This approach views empowerment as inseparable from economic growth, arguing that altering exclusionary economic structures can simultaneously enhance competitiveness and inclusivity.

The underlying assumption is that empowerment-driven restructuring can unlock broader economic potential by diversifying participation and decision-making networks. However, Ponte and Van Sittert question the extent to which Broad-Based Black Economic Empowerment (B-BBEE) can achieve meaningful transformation within the constraints of South Africa's prevailing economic framework.⁴¹ The researchers further argued that the policy has been absorbed into a managerial and compliance-driven logic that limits its transformative reach.⁴² Within this context, empowerment becomes a technical exercise rather than a vehicle for restructuring power relations, highlighting a fundamental tension between the policy's redistributive goals and its market-oriented implementation. Shai and others discusses that further insight into the policy's design is provided through analytical models that outline how

³⁷ David Pooe, „Theoretical perspectives and the implementation of the BBBEE policy framework”, pp. 635-42.

³⁸ Pareto efficiency is a key concept in policy-making, particularly in welfare economics and public policy. It is used to evaluate the efficiency of resource allocation and to identify optimal trade-offs under budget and environmental constraints. Policymakers use Pareto criteria to ensure that policy decisions maximize total welfare while considering the distribution of benefits. This approach helps in making informed decisions that can improve the overall well-being of society, even if it involves trade-offs.

³⁹ David Pooe, „Theoretical perspectives and the implementation of the BBBEE policy framework”, pp. 635-42.

⁴⁰ Matthew Andrews, „Is black economic empowerment a South African growth catalyst? (Or could it be...)” (September 10, 2008). HKS Working Paper No. RWP08-033, Available at SSRN: <http://dx.doi.org/10.2139/ssrn.1266797>.

⁴¹ Stefano Ponte, Lance van Sittert „The chimera of redistribution in post-apartheid South Africa: ‘Black Economic Empowerment’ (BEE) in industrial fisheries”. *African Affairs*, vol. 106, no. 424, 2007: 437-462, <https://doi.org/10.1093/afraf/adm019>.

⁴² Ibid.

B-BBEE is intended to operate in practice.⁴³ These models show that empowerment is pursued through interconnected mechanisms such as preferential procurement, enterprise development, and ownership requirements. Furthermore, Poee argued that this reliance on self-regulating markets is deeply flawed, as market forces are primarily driven by profit rather than social justice.⁴⁴ Entrusting the market to deliver redistributive outcomes, they contend, underestimates the extent to which economic systems tend to reproduce inequality unless actively regulated.

Mbandlwa and Anwana argued that the policy has struggled to deliver broad-based economic inclusion, with benefits disproportionately accruing to a small, politically connected elite.⁴⁵ Hence, rather than fostering widespread entrepreneurship and economic participation, the framework has, in some cases, incentivized rent-seeking behaviour and the rise of tenderpreneurs, undermining its original redistributive intent. Shava asserted that challenges are particularly evident at the local government level, where the policy's redress objectives are often compromised by governance failures. The researcher further identified recurring problems such as corruption, fronting practices, political interference, and weak accountability mechanisms.⁴⁶ These challenges illustrate how a theoretically sound policy framework can be undermined by institutional weaknesses that enable elite capture and limit transformative impact.

The scope of B-BBEE also extends to employment transformation, linking ownership reform with workplace equity and inclusion. While integration with employment equity legislation has produced some progress, assessments suggest that change has been gradual rather than transformative.⁴⁷ This indicates that ownership restructuring alone may be insufficient to generate meaningful shifts in workplace power dynamics and economic participation, exposing limitations in the policy's underlying assumptions.

4. Socio-Economic Outcomes and the Persistence of Structural Inequalities

The socio-economic effects of Broad-Based Black Economic Empowerment (B-BBEE) present a complex picture in which limited gains coexist with deeply entrenched structural inequalities. Despite B-BBEE's stated objective of reorganizing the economy and reducing inequality, South Africa continues to record some of the highest levels of income inequality in the world. Francis and Valodia highlighted Significant disparities in wages and occupational status persist across racial and gender

⁴³ Lerato Shai, Comfort Molefinyana, Geo Quinot, „Public procurement in the context of Broad-Based Black Economic Empowerment (BBBEE) in South Africa—Lessons learned for sustainable public procurement”. *Sustainability*, vol. 11, no. 24, 2019: 7164. <https://doi.org/10.3390/su11247164>.

⁴⁴ David Poee, „Theoretical perspectives and the implementation of the BBBEE policy framework”, pp. 635-42.

⁴⁵ Zamokuhle Mbandlwa, Emem O Anwana. „An overview of the B-BBEE Act and its impact on black entrepreneurs in South Africa”, pp.15401-15407.

⁴⁶ Elvin Shava, „Black economic empowerment in South Africa: Challenges and prospects”, pp. 161-170.

⁴⁷ Frank M. Horwitz, Harish Jain, „An assessment of employment equity and broad based black economic empowerment developments in South Africa”. *Equality, Diversity and Inclusion: An International Journal*, vol 30, no. 4, 2011: 297-317. <https://doi.org/10.1108/02610151111135750>.

lines, even where individuals perform comparable work.⁴⁸ Women and black workers remain disproportionately concentrated in insecure and low-paid forms of employment, highlighting the limited capacity of empowerment legislation to disrupt longstanding labour market hierarchies and pay gaps. Shai and others demonstrated whether procurement-based empowerment has translated into meaningful and broad-based economic participation.⁴⁹

After more than a decade and a half of implementation, it remains unclear whether the policy's reported achievements reflect genuine transformation or merely procedural compliance, exposing weaknesses in both policy design and execution. Vilakazi and Bosiu examined the relationship between B-BBEE and structural economic transformation and reinforces these concerns. While some progress has been made, particularly in limited areas of black participation, the overall impact of the policy has been modest.⁵⁰ Additionally, Mbandlwa argued that B-BBEE has failed to meaningfully redistribute economic power to the broader black population. Instead, benefits have largely accrued to a small, politically connected elite, while most black South Africans continue to experience economic conditions similar to those imposed under apartheid.⁵¹ The emergence of tenderpreneurs exemplifies this failure, as empowerment mechanisms are used to accumulate personal wealth rather than to promote inclusive development, often reproducing exploitative labour practices in the process.

The incorporation of empowerment into a market-oriented policy environment has introduced managerial and compliance-driven logics that restrict the scope for meaningful redistribution.⁵² In this regard, without fundamental changes to policy conception and implementation, empowerment initiatives are unlikely to produce transformative outcomes. Generally, while there has been some increase in representation of historically disadvantaged groups, progress has largely been incremental rather than transformative.⁵³ Early post-apartheid approaches were rooted in implicit compromises between established capital, political elites, and an emerging black middle class, prioritizing macroeconomic stability over far-reaching redistribution.⁵⁴ This has complicated efforts to align B-BBEE with coherent, state-led

⁴⁸ David Francis, Imraan Valodia, „Black Economic Empowerment (BEE) in South Africa: Introduction and a review of the labour market literature”, pp. 1-20.

⁴⁹ Lerato Shai, Comfort Molefynana, Geo Quinot, „Public procurement in the context of Broad-Based Black Economic Empowerment (BBBEE) in South Africa—Lessons learned for sustainable public procurement”, 7164.

⁵⁰ Thando Vilakazi, Teboho Bosiu, „Black Economic Empowerment, Barriers to Entry, and Economic Transformation in South Africa”, pp. 189–212.

⁵¹ Zamokuhle Mbandlwa, Emem O Anwana. „An overview of the B-BBEE Act and its impact on black entrepreneurs in South Africa”, pp.15401-15407.

⁵² Stefano Ponte, Simon Roberts, Lance Van Sittert. „‘Black economic empowerment’, business and the state in South Africa”, pp. 933-955.

⁵³ Frank M. Horwitz, Harish Jain, „An assessment of employment equity and broad based black economic empowerment developments in South Africa”, pp. 297-317.

⁵⁴ Ayabonga Cawe, Michael Sachs, Imraan Valodia, „Dancing in concert?—aligning Broad-Based Black Economic Empowermentto (B-BBEE) sector strategies, structural transformation and growth”. *Transformation: Critical Perspectives on Southern Africa*, vol. 109, Special Issue, 2022: 139-164, <http://dx>.

strategies aimed at addressing poverty and expanding economic participation among the black working class and poor. The limitations of B-BBEE are also evident beyond corporate and procurement settings. Chopra demonstrated how empowerment policies have negatively affected smallholder farmers and cooperatives, revealing that policy shortcomings extend to grassroots economic actors who are often least equipped to navigate complex compliance requirements.⁵⁵

4.1. Comparative Lessons from Slovakia and France

The socio-economic effects in Slovakia are complex and shaped by a variety of elements, including productivity, integration into global value chains, and demographic shifts.⁵⁶ While the Slovak economy has demonstrated resilience against external shocks, it continues to be susceptible to global economic conditions. According to the OECD, GDP growth is anticipated to rise to 2.1% in 2024 and 2.6% in 2025, accompanied by a notable decrease in inflation to 3.4% in 2024 and 2.7% in 2025.⁵⁷ This anticipated growth is projected to be bolstered by robust domestic consumption, a rebound in exports, and the utilization of EU Recovery and Resilience funds. In addition, some researchers from other jurisdiction have highlighted the significance of governance in reducing inequality in Slovakia through redistributive strategies. For instance, Kahanec and others observed that the levels of inequality in Slovakia remained relatively stable and lower compared to other transforming countries in the 2000s, attributing this stability to redistributive policies which alleviated the impact of transformation on low-income groups.⁵⁸ Michálek investigated how the dynamic development of the country in recent years has significantly changed the social situation of its inhabitants, uncovering ongoing regional disparities between the affluent West and impoverished East that governance has found challenging to rectify.⁵⁹ Bobáková argued that while income inequality in Slovakia is among the lowest in Europe, certain regions exhibit high levels of income inequality.⁶⁰

In addition, other scholars have pointed out failures in governance and adverse

doi.org/10.1353/trn.2022.0015.

⁵⁵ Vrinda Chopra. *The inadequacy of South Africa's black economic empowerment policy*. Africa at LSE [online]. 2017-01-3. Available at: <https://researchonline.lse.ac.uk/id/eprint/69660/1/Vrinda%20Chopra%20-%20The%20Inadequacy%20of%20South%20Africa%27s%20Black%20Economic%20Empowerment%20Policy.pdf>, accessed on 10 January 2026.

⁵⁶ European Commission, Directorate-General for Economic and Financial Affairs, *In-Depth Review 2025 Slovakia*, Institutional Paper 315, May 2025, https://economy-finance.ec.europa.eu/publications/depth-review-2025-slovakia_en, accessed on 10 January 2026.

⁵⁷ Ibid.

⁵⁸ Martin Kahanec, Martin Guzi, Monika Martišková, Michal Paleník, Filip Pertold, Zuzana Siebertová, *Gini Country Report: The Czech Republic and Slovakia*. Bratislava: Central European Labour Studies Institute [online] 2013-09-7. Available at: https://www.celsi.sk/media/research_reports/RR7.pdf, accessed on 10 January 2026.

⁵⁹ Anton Michálek, „Income inequalities and poverty in Slovakia: Development and changes”. *European Spatial Research and Policy*. vol. 30, no. 2, 2023: 207-233. <https://doi.org/10.18778/1231-1952.30.2.12>.

⁶⁰ Viktória Bobáková, „Income Inequality in the Regions of the Slovak Republic”. *Public Administration and Society / Verejná správa a spoločnosť*, vol. 21, no. 1, 2020, <https://doi.org/10.33542/VSS2020-1-01>.

effects on at-risk populations. Van Baar critically examined how neo-liberal forms of governmentality within Slovakia's welfare governance have led to questionable forms of governance concerning the Romani minority, including the dehumanization of some of the most marginalized individuals within this group.⁶¹ Similarly, Habánik and others corroborated the existence of negative trends regarding the increasing regional development disparities throughout Slovakia.⁶² However, Domonkos identified a rather negative correlation between economic growth and the reduction of income inequality during the period from 2004 to 2009, indicating that governance strategies have not succeeded in promoting inclusive growth.⁶³

On the other side, in France, socio-economic factors have a considerable influence on the nation's economic stability and growth. Elevated government expenditures, especially in areas such as pensions, healthcare, housing, and unemployment benefits, present challenges to fiscal sustainability.⁶⁴ The nation is confronted with a low employment rate among both the youth and the elderly, alongside a high unemployment rate, which underscores the necessity for structural reforms aimed at enhancing growth. Furthermore, France's pay-as-you-go pension system is at risk of reverting to a deficit without additional reforms, and the low rates of return have rekindled interest in funded pension models. Nevertheless, France exhibits superior economic development compared to South Africa.⁶⁵ In terms of inequalities fiscal expansions in France typically lead to a reduction in inequality due to their redistributive effects.⁶⁶ However, reductions in capital income taxes are found to be counterproductive, while cuts to the minimum wage yield ambiguous results resulting in an increase in overall inequality but enhancing the relative status of the lowest income quintile through job creation.⁶⁷ Nevertheless, France exhibits superior economic development compared to South Africa.

⁶¹ Huub van Baar, „Socio-economic mobility and neo-liberal governmentality in post-socialist Europe: Activation and the dehumanisation of the Roma”. *Journal of Ethnic and Migration Studies*, vol. 38, issue 8, 2012: 1289-1304, <http://dx.doi.org.10.1080/1369183X.2012.689189>.

⁶² Jozef Habanik, Peter Hostak, Jan Kutik, „Economic and Social Disparity Development within Regional Development of the Slovak Republic”. *Economics & Management*, vol. 18, no. 3, 2013: 457-464. Available at: <http://dx.doi.org.10.5755/j01.em.18.3.4203>.

⁶³ Domonkos Tomáš, Miroslava Jánošová, Filip Ostrihoň, „Analysing inclusive growth: empirical evidence from the Slovak Republic”. *Ekonomický časopis (Journal of Economics)*. vol. 61, issue 9, 2013: 918 – 933. Available at: <https://cejsh.icm.edu.pl/cejsh/element/bwmeta1.element.cejsh-d2bfaf61-8a78-4160-b974-4171b41517ca>.

⁶⁴ Sven Jari Stehn, Filippo Taddei, Alexandre Stott, James Moberly, Niklas Garnadt, Katya Vashkinskaya, Giovanni Pierdomenico, *France — Economic Challenges and Opportunities (Stott)*, Goldman Sachs, 2025-08-29.

⁶⁵ Ibid.

⁶⁶ Raphael A. Espinoza, Esther Perez Ruiz, *How Do Fiscal and Labor Policies in France Affect Inequality?*. International Monetary Fund, IMF Working Papers 2016. <https://doi.org/10.5089/9781513515960.001>.

⁶⁷ Ibid.

5. Reimagining Empowerment: Toward Inclusive, Broad-Based and Sustainable Transformation

Generally, reimagining empowerment in a way that is inclusive, broad-based, and sustainable requires a fundamental rethinking of South Africa's B-BBEE framework. Cawe argued that meaningful transformation will not be achieved through incremental adjustments, but through a strategic recalibration that aligns empowerment policy with structural economic reform.⁶⁸ This involves shifting the focus from narrow compliance measures toward interventions that actively expand productive capacity, diversify markets, and open new economic opportunities for historically excluded groups.

The researcher further emphasized the need to deploy existing state instruments more strategically to advance transformation.⁶⁹ Furthermore, Vilakazi and Bosiu link the limited impact of B-BBEE directly to its failure to address key barriers to economic entry.⁷⁰

The scholars argued that initiatives such as the black industrialists programme offer a more promising pathway, as they combine racial redress with structural transformation by supporting productive investment, industrial capacity, and long-term economic participation rather than short-term ownership transfers.⁷¹ At a more localized level, critical analyses suggest that while B-BBEE has not achieved truly broad-based empowerment in practice, it has nonetheless contributed to challenging entrenched racial hierarchies and reshaping social norms.

Hence, some scholars therefore call for a shift away from elite-centred empowerment toward a more systemic approach that prioritizes capability development, productive participation, and inclusive economic transformation across multiple levels of South African society.

6. Conclusion

This research indicated that while South Africa's Broad-Based Black Economic Empowerment (B-BBEE) framework was established to address the economic injustices of the apartheid era, its effects have been inconsistent and predominantly focused on a small elite, thereby hindering authentic structural transformation. The limitations of this framework arise not only from failures in its implementation but also from a market-oriented approach that emphasizes compliance and ownership transfers rather than substantial redistribution and productive inclusion.

Furthermore, lessons drawn from Slovakia and France illustrated that although redistributive governance can mitigate inequality, structural disparities continue to exist

⁶⁸ Ayabonga Cawe, Michael Sachs, Imraan Valodia, „Dancing in concert?—aligning Broad-Based Black Economic Empowerment to (B-BBEE) sector strategies, structural transformation and growth”. 139-164.

⁶⁹ Ibid.

⁷⁰ Thando Vilakazi, Teboho Bosiu, „Black Economic Empowerment, Barriers to Entry, and Economic Transformation in South Africa”, pp. 189–212.

⁷¹ Ibid.

in the absence of inclusive reform. Consequently, the study proposes two recommendations. First, a shift in B-BBEE towards a more inclusive approach that emphasizes broad-based productive inclusion, enhanced governance, and focused redistribution in order to realize authentic and enduring transformation.

Lastly, study advocates for a revised, contextually aware empowerment model that is rooted in structural change, enhanced governance, and genuinely broad-based economic participation.

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