

Black Economic Empowerment (BEE) policies have been a central pillar of attempts to overcome the economic legacy of apartheid. Yet, more than two decades into democracy, economic exclusion in South Africa still largely reflects the fault-lines of the apartheid era.

Current discourse often conflates BEE with the so-called 'tenderpreneurship' referred to in the title, namely the reliance of some emergent black capitalists on state patronage. Authors go beyond this notion to understand BEE's role from a unique perspective.

They trace the history of black entrepreneurship and how deliberate policies under colonialism and its apartheid variant sought to suppress this impulse. In the context of modern South Africa, authors interrogate the complex dynamics of class formation, economic empowerment and redress against the backdrop of broader macroeconomic policies. They examine questions relating to whether B-BBEE policies are informed by strategies to change the structure of the economy.

These issues are explored against the backdrop of the experiences of other developing countries and their journeys of industrialisation. The relevant black empowerment experiences of countries such as the United States are also discussed.

The authors identify policy and programmatic interventions to forge the non-racial future that the constitution enjoins South Africans to build.

BEYOND TENDERPRENEURSHIP  
RETHINKING BLACK BUSINESS AND ECONOMIC EMPOWERMENT



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RETHINKING BLACK BUSINESS  
AND ECONOMIC EMPOWERMENT

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**MAPUNGUBWE**  
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# Preface

There is broad consensus in South Africa that socioeconomic inequalities are not only socially and morally reprehensible. They undermine the tenets of our Constitution as well as social cohesion within communities and the nation at large.

The democratic government has introduced numerous policies to reverse centuries of exclusion and marginalisation. Proceeding from the premise that distribution of income and assets is fundamental to social transformation, economic redress has been a key part of post-apartheid policies and programmes. A central pillar of this is Broad-Based Black Economic Empowerment (B-BBEE) in its various dimensions. While it is acknowledged that socioeconomic rights can only be realised over time, the pace of change since 1994 has been pedestrian. Progress has been accompanied by setbacks, missteps and, in some instances, monumental fiascos. Measured on the continuum between success and failure, the deracialisation of the South African economy has, at best, been modest. Even when factoring in the appreciation, from the very beginning, that Black Economic Empowerment (BEE) would be a protracted process, economic exclusion more than two decades into democracy largely still reflects the fault-lines of the apartheid era.

This book tackles the issue of B-BBEE from a unique perspective, while taking into account data and analysis from existing research and discourse. The authors interrogate the complex dynamics of class formation, economic empowerment and redress against the backdrop of broader macroeconomic policies.

Proceeding from the understanding that social transformation should include the emergence of a cohort of black capitalists, the book traces the history of black entrepreneurship and how deliberate policies under colonialism and its apartheid variant sought to suppress this impulse. Resistance, adaptation or collaboration thus characterised the relationships between real or aspirant black capitalists and the colonial state. This contrasts with the political economy of post-apartheid South Africa which has laid a favourable canvas on which the process of black capitalist class formation has unfolded. In this context, the authors examine the questions of whether

B-BBEE policies are informed by strategies to change the structure of the economy in terms of a clear industrial policy, and the balance within the economy between financial services and productive activities, and between primary and manufacturing sectors. These issues are interrogated against the backdrop of experiences of developmental states and their journeys of industrialisation. Further, experiences of countries such as India and the United States are examined in the context of the technicist setting and monitoring of targets.

Embracing the notion of 'broad-based' empowerment as an important premise of the transformation process, the authors also examine worker and trade union asset ownership, the organic emergence of a new cohort of entrepreneurs among youth and women, as well as the promotion of small and micro enterprises.

The title of this book refers to the notion of 'tenderpreneurship' to underline current discourse on the dependence of some of the emergent black capitalists on state patronage. Inversely, the book also emphasises that many black entrepreneurs have in fact succeeded independently of government. Related to this is the issue of embeddedness and autonomy on the part of the state in relation to the capitalist class as a whole. Without the latter, patronage becomes the stock-in-trade, thus disfiguring a legitimate process of class formation. State capture is an extreme manifestation of this, and it finds expression at national and sub-national spheres of government.

Black entrepreneurship journeys in post-apartheid South Africa are many and varied; and they include the gender dimension which is integrated into the body of the various chapters. As the authors show, there have been stellar performers and abject failures. Through their comprehensive accounts and analyses of the extremes and the grey areas in between, they extract lessons that should stand the country in good stead as it seeks to speed up the process of social transformation. In this context, the book identifies policy and programmatic interventions to forge the non-racial future that the Constitution enjoins South Africans to build. The

Mapungubwe Institute hopes that these interventions will generate further strategic debates on the complex question of capitalist class formation in a post-colonial context, and also encourage more focused interventions to attain socioeconomic redress in the context of the fundamental restructuring of the South African economy. We are therefore profoundly grateful to the authors and all the other partners who have contributed to this research effort.

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