Racial capitalism, ruling elite business entanglement and the impasse of black economic empowerment policy in South Africa

Authors:

Dr Alexis Habiyaremye[1]
[0000-0002-8614-2485]

Affiliation:

[1] DSI/NRF SARChI Chair in Industrial Development, College of Business and Economics, Univeristy of Johannesburg, South Africa

E-mail:

habiyaremye@merit.unu.edu

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Abstract

The high rate of inequality in South Africa is rooted in colonial dispossession and racial exploitation, and still runs primarily along the racial divide. Policy initiatives taken to redress past economic injustices through black economic empowerment (BEE) have failed to bring economic transformation. Using the twin lenses of epistemic violence and racial capitalism, this study analyses how entangled interests aimed to co-opt the ruling party elite by the apartheid-era business elite led to the BEE impasse. The pervasiveness of cultural alienation in BEE failure suggests that a shift to restorative justice is necessary to break from the impasse.

1. Introduction

More than a quarter century after the formal end of apartheid South Africa remains one of the most economically unequal societies in the world with a Gini coefficient of 0.95 for wealth and 0.68 for income (Statistics South Africa, 2017). This inequality is still largely running along the racial divide because white South Africans clearly dominate the top 10% of wealth distribution, which owns at least 90-95% of all private assets in the country (Orthofer, 2016; Chatterjee et al., 2022).[1] Their share of national wealth is constantly strengthened because white households are also still earning five times more than their black counterparts, according to the 2015 data released by Statistics South Africa in 2017.[2]

Racialised poverty living side by side with racialised wealth accumulation is rooted in the colonial policies of land dispossession and exploitation of blacks as a source of cheap labour for extracting the phenomenal mineral wealth of the

country. Attempts to redress those racial and economic injustices through the BEE policy were already initiated in 1993 during the transition to democracy (B-BBEE Act of 2003, article 2 [Republic of South Africa, 2004]; Acemoglu et al., 2007). Instead of benefiting the majority of those who have been dispossessed by different colonial and apartheid laws, however, the implementation of BEE has mostly resulted in the co-optation of the black political elite into the white-dominated business elite" (Williams & Taylor, 2000; Van der Walt, 2015; Shava, 2016; Terreblanche, 2018).[3] This alliance enabled the white corporate leaders to take the leading role in the BEE implementation by initiating voluntary and often marginal transfer of company shares to politically connected blacks. The emphasis on creating a black bourgeoisie resulted in a narrow-based BEE, unable to redress the economic imbalances between the impoverished black majority and the affluent white minority (Acemoglu et al., 2007).[4] This process was tainted by dubious dealings that propelled a limited number of politically connected individuals from the ruling African National Congress (ANC) into lucrative business interests, thereby entangling the apartheid era business interests with those of the ruling party. Examples of deals that sealed this alliance between the ANC elites and the white-dominated corporations of the apartheid era include the R5,5-billion share transfer transaction to a consortium led by current ANC president Cyril Ramaphosa and Saki Macozoma, which was funded by Standard Bank and the Liberty Group, the ABSA deal with Tokyo Sexwale (one of the most prominent ANC coryphées), as well as the R2.2-billion deal between apartheid-era life insurance company Sanlam and Patrice Motsepe, brother-in law of the current South African president (Bridge & Moses, 2004).[5] Figure 1 (overleaf) from Acemoglu et al. (2007) gives an illustration of the tainted entanglement between the ANC elite and the white-dominated business sector.

Subsequent efforts to extend the reach of BEE through legislations to turn it into a broad-based BEE policy instrument (B-BBEE) have hardly changed its elitist limitations, whereas the economic inequality of the country has gradually worsened (Kovacevic, 2007; Hamman et al., 2008; Shava, 2016).[6] The persistence of high measures of economic inequality in the post–apartheid South Africa suggests that the democratic society has failed to dismantle an economic system built on epistemic repression and internalised racism, by which the colonised blacks end up emulating their white oppressors, as explained by Frantz Fanon (1961). Because of the partial erasure of their ancestral epistemic system (Spivak, 1983) and the colonial invalidation of their human identity, the new black elites have based the empowerment policy on their aspiration to become like their colonisers and to enjoy the same privileges previously denied to them simply on account of their non-whiteness (Fanon, 1961).

By articulating its strategy within the neoliberal doctrine, BEE policy has built its theoretical foundations on an epistemic paradox, because South African neoliberal capitalism is rooted in the same colonial epistemic system which created the very injustices BEE purports to redress.[7] Moreover, by enabling the capitalist elite that had dominated the apartheid economy to lead its implementation (through the co-optation of the black state elite into its own economic structures), the current BEE policy has

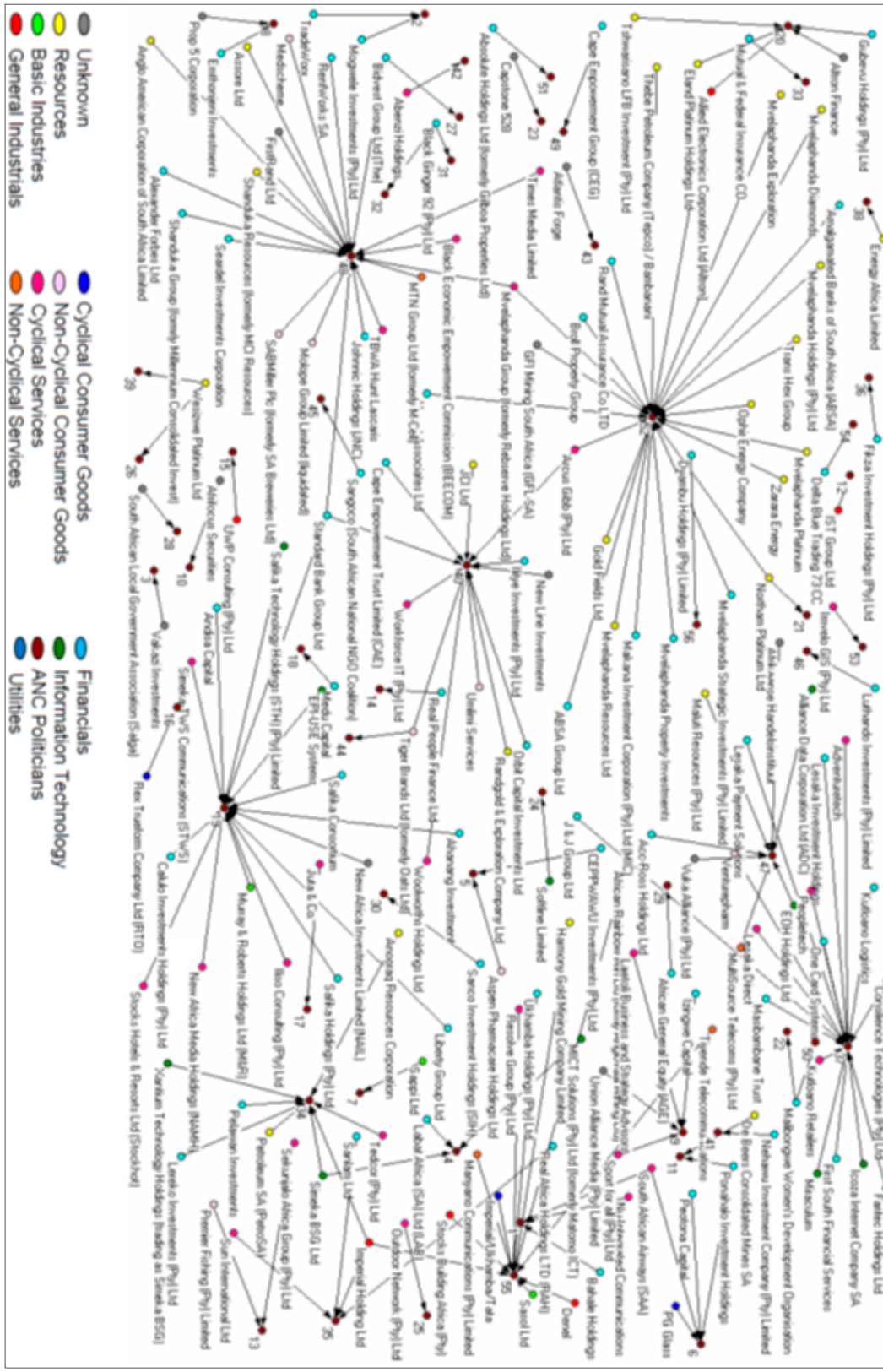

Figure 1: ANC politicians and BEE companies by sectors

Source: Acemoglu et al. (2007)

charted its way into a racial capitalism impasse (Acemoglu et al., 2007; Leong, 2013) from which it cannot be rescued without the deconstruction of the racial subordination paradigm (Biko, 1978; James, 2014; Modiri, 2015). Breaking from this impasse requires a psychological liberation of the dispossessed and the development of an alternative culture and epistemology to replace the dominant culture of the ruling class (Gramsci, 1975). In the case of dealing with cultural imperialism, the development of what Gramsci calls "counter-hegemony" may necessitate a reorientation of the collective epistemic system from an oppressive Eurocentrism towards a liberating Afrocentricity (Asante, 1987; 2003; Mazama, 2001; Kumah-Abiwu, 2016).[8]

I therefore argue that the failure of B-BBEE policy to achieve true transformative change in South African economic structure cannot be fully grasped without analysing the context of racial capitalism (Robinson, 1983; Leong, 2013; Melamed, 2015) and post-colonial epistemic violence (Spivak, 1983; Fanon, 1952; Ngugi wa Thiong'o, 1986) in which it was deployed. Drawing on the theories of racial capitalism (Leong, 2013; James, 2014) and epistemic violence (Spivak, 1983), I analyse the B-BBEE implementation within the context of a persistent domination of Young's (1990) *cultural imperialism* in post-apartheid South Africa to show that this policy was deployed under the diversity rationale in the corporate sector, instead of the needed social justice. Consequently, what it has managed to achieve is a cosmetic change based on strategic co-optation of black political elite into white-dominated businesses without fundamentally altering the racialised accumulation regime (Acemoglu et al., 2007; Bracking, 2019).[9] To my knowledge, this is the first time BEE policy is examined through this conceptual framework.

The rest of the article is structured as follows: the next section reviews the features of racial capitalism and epistemic violence that form the dual analytical lenses through which the failure of B-BBEE implementation should be viewed. Section 3 revisits the economic context in which BEE was introduced and presents its implementation strategy as well as the limitation of its conceptual reach. Section 4 provides comments on the relation between B-BBEE implementation and the consequences of latent epistemic violence and racial capitalism in the corrupt alliance between the white business elite and the black state elite. Section 5 reflects on the inability of policies embedded in Eurocentric epistemic domain to empower Africans and proposes Afrocentricity (Asante, 1983) as a pathway to defying racial capitalism and challenging the cultural imperialism that led to the empowerment failure. Section 6 concludes with some recommendations to bring about a meaningful transformative change based on the decolonisation of the mind.

2. Epistemic violence and racial capitalism as a dual framework for understanding the BEE impasse

To understand the impasse into which the BEE has led the effort to redress the injustices of the past, it is useful to examine the dynamics that shaped its strategy and implementation through the dual lens of racial capitalism (Robinson, 1983; Leong, 2013, James, 2014) and epistemic violence (Spivak, 1983; Fanon, 1952; Ngugi wa Thiong'o, 1986).

2.1 Racial capitalism

Racial capitalism refers to the processes of deriving social or economic value from the racial identity of another person (Robinson, 1983; Leong, 2013).[10] Capital accumulation is intertwined with racism because it moves through relations of severe inequality amongst human groups, divided between those with the means of production and workers without their own means of subsistence; between the conquerors of land and the dispossessed. This inequality runs primarily along racial divide (Melamed, 2016). It is important to bear in mind that contemporary racial capitalism often deploys liberal and multicultural terms of diversity and inclusion to value and devalue forms of humanity in a differentiated way to fit the needs of the established hierarchies.

In the context of this article, this pertains to the various forms in which blackness, in its post-apartheid South African figurations, is utilised by white individuals, entities or institutions to obtain legitimacy, namely by associating with blacks for the purpose of seeking diversity to comply with the B-BBEE requirements. Indeed, whereas theories of white racial superiority nourished by Social Darwinism flourished in the 19th century and fuelled colonial conquest, modern scientific progress has now completely repudiated them.[11] Diversity has now become a desirable social outcome throughout Western countries (Leong, 2013; James, 2014). This has given rise to a growing inclination of white people and white institutions to capitalise the value attached to diversity and derive benefits from their thick or thin association with non-whites (Leong, 2013).

Under racial capitalism, the 'diversity rationale' rather than the need for redress of past injustices, is used as the sole permissible justification of affirmative action policies, because of the benefits that white people and institutions derive from being associated with non-whites (or being perceived as such) (Leong, 2013; James, 2014).[12] In a society characterised by pervasive sequelae of past epistemic violence, a mere increase in the number of non-white people present at a white company or a predominantly white institution may not *per se* signify actual progress towards racial equality (Acemoglu et al., 2007; Leong, 2013). Ostensibly increasing diversity in a context still dominated by the testimonial and distributive epistemic violence may just serve to hide the discriminatory epistemic violence without removing it. This is where the diversity objective and the remedial objective diverge, as Leong (2003) notes: the former assumes that benefits will result from the mere presence of non-white people (removal of visible discrimination), while the latter requires tangible progress towards racial equality and, by extension, meaningful institutional efforts at inclusion that make such progress possible. The reluctance of whites to bear any share of the burden that may be caused by redistributive justice, rests on the belief in the *white innocence*, which entrenches the advantages obtained from past oppressive laws and violence that were used to achieve current racial inequity (James, 2014). South African white-dominated companies that flourished under apartheid are a typical example of engaging in racial capitalism by hiring politically connected blacks who have no independent base in the economy and whose role serves primarily to promote a favourable public image of white-dominated companies within the New South Africa (Randall, 1996; Southall, 2004; Bracking, 2019).[13]

2.2 Epistemic violence

Epistemic violence, brought to prominence by Spivak (1983) in her widely-cited essay "Can the Subaltern Speak?", is closely related to the concept of symbolic power as introduced by Bourdieu (1979). For Bourdieu, this domination grows to become 'worldmaking power', giving those holding the power the ability to impose their vision of the social order, and its divisions, as legitimate (Swartz, 1997). By using symbolic power, British and French imperial domination of the world has imposed its views, norms, and knowledge systems as being the universal standard against which others ought to be measured and validated (Spivak, 1983). For Spivak, to commit 'epistemic violence' is to actively obstruct and undermine non-Western methods or approaches to knowledge. This subjugation of non-Western understanding has been masterfully used by colonialist powers to define the colonial subject solely as an objectified "other" (Bunch, 2015).

Epistemic violence is deleterious in nature as it strives to erase the cultural, epistemological and value systems of the population groups to be "othered". Spivak (1983) characterises the colonial imposition of the dominant Western narrative as 'palimpsestic', i.e., an attempt to erase or alter the historical and social native consciousness and to delete all traces of the original self-perception and consciousness to overwrite it with its own Eurocentric paradigm considered more appropriate. To better comprehend its different discursive manifestations, Bunch (2015) examined the various facets that characterise epistemic violence and classified them into three categories: *discriminatory*, *testimonial* and *distributive*. Each of these manifestations possesses its distinct ways in which it is exercised by the dominant group in the process of "othering" the group subjected to this violence.

The *discriminatory* epistemic violence is primarily conveyed through the dehumanisation of the targeted group to be reified for subjugation and exploitation (Young, 1990; Modiri, 2015). It is the discursive and attitudinal construction of "the other", in the same sense in which "Orient" is conceived in the minds of the Occident (Said, 1979) or the way in which the *Negro* is conceptualised by the white man (Fanon, 1952) and treatment of the non-Western population groups by Western colonial conquerors.

Exclusive or priority access to the dominant modes of communication and interpretation in the society gives cultural hegemony to the dominant social group (Gramsci, 1975; Bourdieu, 1979). This hegemony is used to project the dominant group's experiences and perspectives in such a way that they become viewed as the rubric for humanity (Gramsci, 1975; Lears, 1985; Modiri, 2015). Non-Western epistemology is dismissed as inadequate, insufficiently elaborated, and naïve. This dismissal becomes the foundation of *cultural imperialism* Young, 1990) that sticks within a postcolonial society as a result of long exposure to epistemic violence of the dominant colonial group. By cultural imperialism, the dominant group imposes the universalisation of its experiences and culture, and its assumption of normative superiority (Young, 1990; James, 2014; Modiri, 2015). Cultural imperialism adds the racial dimension to Gramsci's notion of cultural hegemony, which refers to the dominance of a culturally diverse society by the ruling class through the culture of that society and the imposition of its world view as being

the accepted cultural norm (Lears, 1985). The socio-political and economic status quo favourable to the dominant class is thereby misrepresented as natural and inevitable while it is only an artificial social construct designed and maintained to benefit primarily the ruling class (Comaroff & Comaroff, 2008).

Testimonial epistemic violence comes in two forms: reduced credibility of the "out-group" and its silencing. Reduced credibility implies that the prejudice of the listeners makes them prone to discrediting the information brought forth by the "other", despite any competence they may have (Fricker, 2006).[14] Silencing is extensively discussed by Spivak (1983) and is defined as the damage to a group's ability to speak for itself and to be heard.

As for *distributive* epistemic violence: it refers to the denial of access to resources by the dominant group to the out-group. Of particular importance is limiting access to quality education, both in and about marginalized communities, which *in fine* becomes damaging to all parties involved as the dominant group also limits its possibility to learn valuable knowledge from the out-group. The perceived self-centrality of the in-group often results in its unwillingness to undertake a proper learning about the "out-group".

The culmination of epistemic violence is its adoption and normalisation by the oppressed, who end up unconsciously reproducing its dynamics on themselves and even yearn for integration into the oppressive group (Fanon, 1952; Ngugi wa Thiong'o, 1986). Once the discriminatory violence has been *epidermalised*, as Fanon (1952) calls it, the entire purpose of the behaviour of the oppressed becomes an almost obsessive desire to emulate the white man, to become like him, and thus hope to be accepted as a man. The black consciousness movement was born out of the need to awaken black South Africans to the dangers of internalising this inferiority by viewing themselves through the projection of their image by the apartheid rulers. Biko (1978) defined black consciousness as building an own value system in which black South Africans define themselves, instead of being defined by others. Rejecting the value system that made them foreigner in their own native country was seen as a first step towards liberation.

3. Broad-based BEE strategy and its implementation

As outlined in article 2 of the 2003 B-BBEE Act (Republic of South Africa, 2004), South Africa had introduced the B-BBEE concept since 1993, with the view to achieve the specific objectives of promoting economic transformation in order to enable participation of black people in the economy. This was considered pertinent to address the imbalances left by the past exclusion of blacks from the apartheid economy. At the inception of the programme, it was envisaged that this policy intervention would significantly increase the number of black people who managed, owned, and controlled the economy. The government also anticipated that this process would lead to a significant reduction in social and economic inequalities in the country. At that time, focus was primarily on the creation of a black middle class, building on and strengthening the already existing levels between 1994 and the early 2000s. The successful implementation of the BEE strategy was to be evaluated against the achievement of the following policy goals (condensed):

a) A substantial increase in the number of black people who have ownership and control of existing and new enterprises in the priority sectors of the economy that government has identified in its microeconomic reform strategy;

b) A significant increase in the number of new black enterprises, black-empowered enterprises and black-engendered enterprises;

c) Increased ownership of land and other productive assets, improved access to infrastructure, increased acquisition of skills, and increased participation in productive economic activities in under-developed areas including the 13 nodal areas identified in the Urban Renewal Programme and the Integrated Sustainable Rural Development Programme;

d) Increased income levels of black persons and a reduction of income inequalities between and within race groups.

In this context, blacks are defined as a generic term that includes those who had been designated for segregation as black Africans, coloureds, and Indians under apartheid policies. The current B-BBEE scoring system for a generic enterprise consists of five separate elements: (a) equity ownership, (b) management control, (c) skills development, (d) enterprise and supplier development and (e) socio-economic development (Department of Trade and Industy [DTI], 2013).[15] The priority areas identified by the DTI and their indicators are presented in Table 1 below along with their respective weighting.

Table 1: Generic B-BBEE scorecard

Core BEE component	Indicators	Weight	Code
Equity ownership	% Share of economic benefits	25 pts	100
Management control	% Black persons in executive management and/or executive boards	15 pts	200
Skills development	Skills development expenditures as % of total payroll	20 pts	300
Enterprise and supplier development	Investment in black-owned and empowered enterprise as % of total assets	40 pts	400
Socio-economic development	Extent to which entities carry out initiatives contributing to socio-economic development	5 pts	500
Total		**105 pts**	

In the amended code of good practices of 2013, the priority scoring dimensions for the B-BBEE are the following:

1. **Equity ownership**: the sub-minimum ownership requirement is 40% of net value owned by black or black empowered entities;

2. **Skills development**: the sub-minimum requirement for compliance is 40% of the total weighting points for skills development;

3. **Enterprise and supplier development**: the sub-minimum requirement is 40% of the points for each of the three categories within the enterprise and supplier development element, namely preferential procurement, skills development and enterprise development.

Admittedly, broad-based empowerment was also hampered by the low levels of initial capital endowment of the black business community. This resulted in a financing process that was highly leveraged and often dependent on problematic corporate structures (Hale & Radebe, 2004; Nhlapo, 2008).

Another issue to be raised when examining the success of a policy meant to be redistributive is the choice of implementation vehicles. In the case of B-BBEE, enterprises, listed company shares, company ownership, procurement, business development, etc. all evoke intersection between black economic empowerment and capitalist entrepreneurship. As a result of its contract-based orientation towards the so-called black industrialists, B-BBEE resorted to corruption-prone tendering systems, which has mainly benefited the politically connected and the few minority organizations that have enough human and financial resources to exploit big contracts (Shava, 2016; Bracking 2019). In South Africa, there are millions of people who were victims of the apartheid brutality and need redress, but do not necessarily need to be entrepreneurs, hold a seat on the board of a big corporation, or own a stock option of a JSE-listed company.[16]

4. BEE under the twin lenses of racial capitalism and epistemic violence

> Dignity is not located in seeking equality with the white man and his civilization: it is not about assuming the attitudes of the master who has allowed his slaves to eat at his table. It is about being oneself with all the multiplicities, systems and contradictions of one's own ways of being, doing and knowing. (Ziauddin Sardar in the Foreword to the 2008 edition of Frantz Fanon's *Black Skin, White Masks*, p. vii)

To understand the low effectiveness of the post-apartheid governments in the enactment of redistributive justice, it is useful to take the twin analytical lenses that were reviewed above: epistemic violence and racial capitalism. The geopolitical context within which BEE implementation was initiated contained already the seeds of its future impasse as it started with both epistemic violence and attempt of racial capitalism. Before using the concept of postcolonial epistemic violence to analyse the dynamics of resistance to economic restructuring, it is worth noting that South Africa was never decolonised. Indeed, as stressed by Turok (2018), despite democracy, South Africa remains a colonial country. Instead of a shift of power between the colonisers and the colonised at the end of the negotiations that followed the release of Nelson Mandela in 1990, an odd compromise was reached by the Convention for a Democratic South Africa (Codesa). According to that compromise, the colonial minority could keep its control of the economic power by only allowing democratisation and political participation for the majority (Van Heerden, 2017; Terreblanche, 2018; Turok, 2018).[17] According to Williams and Taylor (2000) and Terreblanche (2018), however, the elite compromise negotiated at that time emphatically excluded the possibility of a comprehensive redistribution policy, which was regarded as unaffordable after preference was given to addressing the interests of the old white corporate elite and the emerging black elite (i.e., racial

capitalism), and after the conditionalities prescribed by the American-led neoliberal pressure groups were accepted.

During the transition from apartheid to democracy, in which BEE was initiated, the economy and the corporate media remained firmly dominated by the white minority, even though the political power was orderly transferred from the exclusive white apartheid government to the new (national unity) government without major obstacles (Terreblanche, 2018). The control of the media enabled the white corporate sector to dominate and shape the public opinion while maintaining its preferred narrative as the representation of public opinion (Tomaselli, 1997; SACP, 2015).[18] This means that facts, knowledge and values that do not conform to that narrative were simply either invalidated or silenced (i.e., testimonial epistemic violence).[19]

By co-opting the ANC ruling class in secret negotiations and subsequently shaming many of its members regularly for corruption through white-dominated media (while at the same time covering up all forms of corruption and fraud committed in the corporate sector), the white elite has been perpetuating a culture of "othering" black Africans in general as inferior. When white-dominated companies are seen as being at risk of losing share value by hiring black managers for BEE compliance, the stock market is sending an epistemically violent signal about the competence and capacity of not just the would-be managers in question, but of all black people in the collective mental representation of whites.

Regarding attempts to economic change, Williams and Taylor (2000) found South Africa's major corporations to be (and largely remain) forces for continuity rather than change. The self-serving alliance between the ANC elite and the white business sector led to a lock-in situation, in which economic reforms in favour of the poor majority have been rendered impossible in the foreseeable future despite all rhetoric about radical economic transformation.

The co-optation of the ANC black state elite into the wealthy ruling class by the white corporate businesses, as has been the case through BEE, is also a typical manifestation of racial capitalism, by which white individuals or white-dominated companies decide to associate with non-whites to shore up their diversity credentials. As underscored by Leong (2013), however, such alliances serve primarily to artificially mask the inertia in race relations, and often turn out to be an impediment to the true remedial reforms that would genuinely improve race relations.

In many cases, the use of racial capitalism has taken the shape of a mere fronting of blacks to satisfy the requirements of BEE scoring and recognition. White companies front black people, use their gardeners or housemaids and register them as directors, often without the latter's even being aware of the use of their names, but sometimes against a token payment (Bracking, 2019). By massively investing in racial capitalism through the co-optation of ANC elite into lucrative alliance, the South African economic elites have secured the protection of the property rights created for them by the apartheid regime at the expense of cheap labour coerced into non-living wages.[20]

Jean-Paul Sartre's (1961) famous foreword to *The Wretched of the Earth* gives informed hints as to why such a combination of racial capitalism and epistemic violence has intentionally been designed to work perfectly for the neo-colonialist agenda:

> The European elite undertook to manufacture a native elite. They picked out promising adolescents; they branded them, as with a red-hot iron, with the principles of Western culture; they stuffed their mouths full with high-sounding phrases, grand glutinous words that stuck to the teeth. After a short stay in the mother country they were sent home, whitewashed. These walking lies had nothing left to say to their brothers; they only echoed. From Paris, from London, from Amsterdam we would utter the words "Parthenon! Brotherhood!" and somewhere in Africa or Asia lips would open "…thenon! …therhood!". (Edition 2002, p. 17)

In the same manner, the impasse of the BEE and its failure to implement redistributive measures should thus clearly be understood as flowing directly from the racial capital dimension of this unlikely alliance, not as a cause of it but more as one of its manifestations. The whole conception of the implementation structure based on entrepreneurship-related scores shows that the BEE policy design is by essence prone to such derailment as it allows too much room for white-dominated companies to deploy their racial capitalism charm offensive (Bracking, 2019). Within the context of the epistemic obliteration of the Africans for more than 350 years, South Africa's white-dominated private sector resorting to racial capitalism has made a meaningful progress on race relations impossible.

5. Afrocentricity as a pathway to empowerment

To understand the failure of BEE to deliver redistributive justice is thus also to recognise that the privileges of whiteness as a valuable property in South Africa persists today and is here to stay. Whiteness continues to confer privilege onto those who are endowed with it by entertaining exclusivity. Predominantly white-oriented media continue to wield the information landscape and shape public opinion by creating implicit racial categories to which non-whites are relegated. They rely on rhetoric and narratives to articulate shared social and political perspectives"[21] intended to label racial justice interventions as "unfair to whites" (James, 2014). Likewise, existing distribution of social goods that was originally determined by whiteness under apartheid continues to define the normative baseline for benchmarking such distribution in the present and in the future. And to make the circle full, the legal system that determines entitlements to those social goods continues to enforce that normative baseline as in Mills (1997) racial contract enforced through ideological conditioning.

For most black South Africans, the persistence of Eurocentric social norms implies that their empowerment remains constrained by the dominant thinking that they must adapt their thinking and behaviour to the values and institutions of a system that was designed to dispossess them in the first place. To reach the goals of equitable liberation in a social landscape dominated by epistemic oppression, Asante (2003) proposed Afrocentricity, which puts African ontology at the centre of the self-perception and world view of

Africans as subjects with agency instead of objects. In that sense, Afrocentricity puts an emphasis on the spiritual and religious dimensions of the black consciousness doctrines articulated by Du Bois (1897) and Biko (1978).

Such a shift in self-perception must also come from the realisation that the mindset and the economic arrangements that created these inequalities came from the alliance between capitalism and racial subjugation aimed to control the supply of cheap labour for the maximisation of profits. That system, imposed by armed conquest, was rendered complete and effective by the epistemic violence that changed the self-perception of black South Africans and forced them to internalise their imposed inferiority complex and their unconscious acceptation of white privilege. It is through the Afrocentric paradigm that black Africans can redefine the negative portrayal of the identity imposed on them by the Eurocentric conquerors and challenge racial capitalism that achieve accumulation at their expense (Melamed, 2016). Robinson (1983), Asante (2003) and Mazama (2001) provide insightful reflections on why the recovery of self-identity is necessary for Africans to break out of the cycle of religious subjugation imposed through the conversion of conquered Africans to the cultures and religions of their conquerors. For Mazama (2002), the restoration of the integrity of black people as Africans and the reclamation of the self must start by honouring African Gods and spirits rather than those of their violent conquerors.

6. Concluding observations

A long history of land dispossession and colonial epistemic violence has resulted into a deeply polarised South African society in which the transfer of political power to the majority has failed to redress the legacy of systemic injustice. The biting inequality that we observe in South Africa today is thus not the result of market forces within a fairly functioning economic system: the South African economy has been built on the exploitation of cheap labour and continues to rely on it to sustain the opulence of the few and the deprivation of the many by propping up a complacent political elite with entangled business interests. The failure of the ANC to use the black economic empowerment policy to deliver the desired results of social inclusion for the realisation of the full growth potential of the country is the result of a combination of entanglement of political elite with business interests (Acemoglu et al., 2007), epistemic violence inflicted by colonialism (Spivak, 1983), and the racial capitalism (Robinson, 1983; Leong, 2013; Williams & Taylor, 2000; Acemoglu et al., 2007; Van der Walt, 2015; Bracking, 2019).

By predicating the black economic empowerment policy on the logic of radical market capitalism, the very system that was used to impoverish the black majority through its subjugation as a mere source of cheap labour, the ANC government has put itself in a policy impasse. Only by developing economic strategies targeted towards the redistributive justice for the well-being of formerly disenfranchised South Africans, will the democratic government change the dynamics that created this BEE cul-de-sac and drive a meaningful improvement in the living conditions of the majority of the country's citizens.

The necessary redress of the economic injustices imposed on the majority of non-whites will also require a shift in the self-perception of South African policymakers with respect to their relation to foreign investors versus their duties to their fellow citizens. For the decolonisation of minds to be effective, it is therefore necessary to initiate a complete overhaul of the Eurocentric epistemic system from whose perspective social and economic policy is still being shaped in this country today. Afrocentricity offers the best chance to redefine the negative identity imposed on black Africans to make true empowerment possible through institutions that place them at the centre of their own development strategy. While the damage done to the self-perception of non-white South Africans may take long to recover, any economic, cultural or social strategy that ignores the need to heal that damage on psychological and spiritual levels is unlikely to bring any durable relief.

Endnotes

1 As of 2017, The top 0.01 percent of the wealth distribution, i.e., the richest 3500 individuals, owned more than 15 percent of all household net assets, which is more than the total net assets of the bottom 90 percent. On top of this racialised wealth concentration, globalisation and financialisation have come to exacerbate the already glaring disparities by both shifting ownership of local assets to foreign capital investors and increasing the movement of white South African financial assets to larger overseas interests.

2 See Mdulwa (2017).

3 According to Terreblanche (2018), this alliance seems to have been reached through a series of meetings in 1990-1994 involving white politicians and white capitalists, a leadership core of the ANC, and American and British pressure groups. This compromise retained an economic edifice biased towards white monopoly capital interests and left undisturbed the lopsided wealth distribution.

4 Acemoglu et al. (2007) sketched a network map showing the intricate connections between influential ruling parti politician and white dominated corporations to show this co-optative alliance. They also note that it may not be seen as a mere coincidence that the first BEE deal was proposed and concluded by Sanlam, an Afrikaner-controlled company that had been closely connected to the apartheid regime for very long.

5 Acquisition of shares in these 'transactions' had to be funded through future dividends on the transferred shares.

6 A wide consensus has emerged amongst observers to depict the B-BBEE policy as a failure in terms of its objective to empower a broad base of formerly excluded blacks (see Kovacevic, 2007; Hamann, Khagram & Rohan, 2008).

7 Through its wielding of state power and controlling government financial assets, the ruling party is widely perceived as having become the new champion of protecting the privileged capitalist wealth (Williams & Taylor, 2000). Ironically, the colonisation of South Africa was initiated by a trading corporation, the Vereenigde Oostindische Compagnie (VOC), which brought farmers and slaves to the Cape colony to provide supplies for its merchant fleet.

8 The black consciousness movement (BCM) that emerged after the Sharpeville massacre in 1960 sought to awaken the consciousness of this subjugation amongst black South Africans

to trigger a revolution of the minds and catalyse their liberation. After the murder of its intellectual leader Steve Biko in 1977, the BCM became fragmented and started to lose influence (Graham, 2017).

9 Accumulated epistemic repression by white colonial rule resulting in *cultural imperialism* (Young, 1990) and the internalisation of racial subordination, that renders post-apartheid black elite incapable of challenging *white innocence* and *normative superiority* (James, 2014) and developing own value system geared towards affording a fair share of the country's economic opportunities to the formerly economically excluded black majority.

10 The concept of 'racial capitalism' has a longer history in South Africa and originates in the writings of liberals such as Merle Lipton, who drew a connection between segregation and apartheid policies and capitalist economic development in South Africa. They argued that the racial basis of segregation and apartheid were important for the development of capitalism in South Africa.

11 Darwin's theory of human evolution was applied to creating a hierarchy amongst human societies and used to justify colonialism and defend the idea that it required a racial hierarchy that "naturally" privileged the population of European descent. As a result, colonial powers in the United States and Europe came to regard racism as a "natural order" for positive political evolution.

12 As argued by James (2014), labelling racial justice measures as "unfair", implies *white innocence* and is a rhetorical leap often employed to challenge affirmative action by presenting whites as victims of racial redress policies. By suggesting that whites have not received any unearned benefits, it reaffirms belief in the myth of meritocracy and blindness to white privilege.

13 Some of these companies were the major pillars of the apartheid regime and used share transfer to politically connected blacks as a means to ensure protection of their property and therefore stifle possible de-racialisation of the economy (Southall, 2004; Acemoglu, 2007). The transfer of equity shares at a deep discount to politically connected black individuals or entities has frequently been used by various white-dominated companies in order to shed the past image of racism and exclusion under the guise of supporting BEE policy (Southall, 2004). Some of such individuals, referred to in the public discourse as "black diamonds", have managed to amass a considerable amount of wealth at the expense of meaningful economic transformation for the majority.

14 Testimonial epistemic violence is closely related to the discriminatory epistemic violence because it is often rooted in the presumption that Western way of knowing is the only validation benchmark based on rationality and the heritage of the enlightenment.

15 This has been narrowed from the previous system, which had seven elements, with employment equity and preferential procurement being absorbed into the other five elements to reduce the overall number.

16 For the comparable New Economic Policy (NEP) implemented in Malaysia with the aim to reduce the economic gap between native Malays (Bumiputera) and Chinese ethnic minority, of the RM54 billion's worth of shares allocated to the Bumiputera under compulsory reservation of new security issued on the Kuala Lumpur Stock Exchange, only RM2 billion's worth of shares were left in their hands in March 2010, according to a Bernama report (https://bit.ly/3hsWzzU).

17 This hold on economic power was enshrined in the democratic constitution of South Africa through the clause on the preservation of property rights (Section 25).

18 At the eve of democracy in December 1993, the media landscape in South Africa was dominated by the SABC, Argus Holdings Ltd, Times Media Ltd (TML), and the Afrikaner-owned Perskor and Nasionale Pers, all interconnected within the wider web of South African monopoly capital (Tomaselli, 1997).

19 For the modus operandi of mass media in shaping public opinion in favour of the ruling class, see Herman and Chomsky (2008)[1988].

20 The concept of a living wage relates to remuneration enabling workers and their family to not have to live in poverty, according to Global Living Wage Coalition. It should be sufficient to ensure that workers and their families are able to afford a basic lifestyle considered decent by society at its current level of development. In South Africa, a minimum wage of R3500 per month was introduced as of 1 January 2019. Before the entry into force of the minimum wage, 47% of the workers were earning below that threshold, according to Cosatu president Zingiswa Losi (Omarjee, 2019).

21 See Hutchinson (2008).

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