

UNIVERSITY OF KWAZULU NATAL

**Black Entrepreneurship Development in the Construction
Sector in eThekweni Municipality**

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DECLARATION

I, SONWABILE AUBREY TSHALATA, do hereby declare that this dissertation is the result of my own investigation and research, and that it has not been submitted in part or full for any other degree to any other University.

SA TSHALATA

DATE

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ABSTRACT

South “Africa’s Construction Sector is seen by Government as critical in job creation, service delivery and improving the lives of citizens, through provision of such amenities as water, sanitation, roads and human settlements. Despite these efforts by Government, SMMEs in the Construction Sector continue to experience high failure rate calling for meaningful study to be conducted towards the underlying factors leading to such failure of SME’s especially Black (African) owned SME’s. In attempting to understand these factors this study looks into Black entrepreneurship development as a key factor in addressing challenges faced SMME’s as well as in addressing growth and transformation of the sector. The study employed exploratory study design in which data was gathered from 10 focus groups, 2 government officials and 2 sectors experts using interviews. This study has shown that entrepreneurship development is widely accepted as a primary mechanism to address economic development systematic development of entrepreneurs can positively impact business success and increase performance, growth and profitability. Entrepreneurship development is a process of enhancing entrepreneurial skills and knowledge, through structured training and institution building programmes. This information about how entrepreneurship development contributes to transformation, economic redress, and growth has been obtained. The focus of this study is to explore Black Entrepreneurship in eThekweni Municipality, and to examine challenges faced by Black business in the Municipality. The findings show that respondents share a similar sentiment of inadequate attention/focus by the Municipality on relevant Entrepreneurship development, and commitment to transformation. No specific focus and programmes exist for Black (African) Construction companies in particular; that will lead to them being competitive, profitable, and sustainable. There is no evidence of similar study being conducted previously, especially Black (African)” Entrepreneurship Development in eThekweni Municipality, and therefore this study represents new study.

TABLE OF CONTENTS

Chapter 1 Introduction	1
1.1 Introduction	1
1.2 Background of the study	1
1.3 Problem statement	1
1.4 Aim of the study	3
1.5 Study objectives	3
1.6 Study questions	4
1.7 Significance of the study	4
1.8 Conclusion	5
Chapter 2 Literature Review	6
2.1 Introduction	6
2.2 Black Entrepreneurship Development	6
2.2.1 Definitions of Entrepreneurship	6
2.2.2 Definitions of Economic Development	7
2.2.3 Definitions of Entrepreneurship Development	9
2.3 South Africa and the legacy of apartheid	10
2.3.1 Apartheid legacy and transformation	11
2.3.2 Apartheid legacy and construction sector.....	16
2.4 Policy and regulatory environment for Regional Economic Development	16
2.4.1 Entrepreneurship development programme and their impact on transformation and economic growth	19
2.4.2 The impact of city contracting set aside on Black companies	22
2.4.3 Economic transformation	24
2.5 The Construction sector of South Africa	27
2.5.1 CIDB Construction Monitor report on Transformation 2018	29
2.5.2 Government and Transformation	30
2.5.3 Government strategies for the Transformation of the Construction Industry	33
2.5.4 Macro Economic Environment	34
2.5.5 Black Access to work in the sector	35

2.5.6 Business factors	36
2.5.7 Good governance and commitment	38
2.5.8 Black ownership	39
2.5.9 Black Management Control	42
2.5.10 Employment Equity	46
2.6 The state of Black Entrepreneurship in the Construction Industry	52
2.6.1 Statistics on Black participation	52
2.6.2 Small Enterprises in the Construction Industry	53
2.6.3 Performance of Black owns companies in the Sector.	54
2.6.4 Alleviation of poverty	58
2.7 Black African Women in South African Construction Sector	61
2.8 Tenderpreneurs	63
2.9 Legislation and Policies of the Construction Sector	65
2.9.1 Black Economic Empowerment and Economic Transformation Policies	65
2.9.2 Black Business knowledge of laws and policies	66
2.9.3 Health and Safety standards	67
2.9.4 Black companies and the Environment	70
2.10 Challenges being faced by Black Companies	71
2.10.1 Migrants and the Construction sector	71
2.10.2 Financing	72
2.10.3 Corruption	73
2.11 Conclusion	74

Chapter 3 – Research Methodology	75
3.1 Introduction.....	75
3.2 Study design.....	75
3.3 Study Philosophy.....	76
3.4 Study approach/Methodology	78
3.4.1 Quantitative Study	79
3.4.2 Qualitative Study.....	80
3.5 Study strategies	81
3.5.1 Positivist study strategy.....	81
3.5.1 Surveys.....	81
3.5.2 Phenomological research strategies	82
3.5.2 Interviews	82
3.5.3 Focus groups.....	82
3.5.4 Action research	82
3.5.5 Ethnography.....	83
3.5.6 Case study	83
3.6 Combined research strategy	84
3.6.1 Population.....	84
3.7 Sampling Strategy.....	85
3.7.1 Non probability sampling	85
3.7.2 Probability sampling.....	86
3.8 Research Instruments.....	87
3.8.1 Questionnaire	88
3.8.2 Semi structured interviews.....	88
3.9 Validity and Reliability.....	89
3.9.1 Reliability.....	89

3.9.2 Dependability.....	89
3.9.3 Conformability.....	90
3.9.4 Transferability.....	90
3.10. Pilot study.....	90
3.11 Data analysis.....	91
3.12 Delimitations.....	91
3.13 Limitations.....	92
3.14 Elimination of Bias.....	92
3.15 Ethical considerations	93
3.15.1 Confidentiality.....	93
3.15.2 Informed Consent.....	93
3.15.3 Protection from Harm.....	94
3.15.4 Obtaining permission.....	94
3.16 Conclusion.....	94
Chapter 4 Findings and Discussion	95
4.1 Introduction	95
4.2 The state of Black Entrepreneurship in the Sector.....	95
4.3 Policy Framework in the Construction Industry.....	98
4.4 The challenges being faced by Black Owned Companies in the Construction Sector.....	99
4.5 Recommendations on what needs to be done to improve Black Business in the Construction Sector.....	102
4.6 Conclusion.....	105

Chapter 5 – Conclusion and Recommendations.....	106
5.1 Introduction.....	106
5.2 Findings from Primary Study.....	106
5.2.1 The state of Black Entrepreneurship in the Construction Sector.....	106
5.2.2 Knowledge of legislation and laws by Black Business.....	106
5.2.3 The challenges being faced by Black Business in the Construction Sector.....	107
5.2.4 Recommendations on improving Black Business in the Construction Sector.....	108
5.3 Conclusion of the study.....	108
5.3.1 The State of Black Entrepreneurship in the Construction Sector of eThekweni.....	108
5.3.2 Understanding of policies and legislation by Black Business Owners.....	108
5.3.3 Challenges being faced by Black Business.....	109
5.3.4 Recommendations on improving Black Business in the Construction Sector.....	109
5.4 Recommendations.....	109
5.5 Areas of further study.....	110
5.6 Conclusion.....	110
 REFERENCES	 111-115

Appendix 1 Focus Groups Questionnaire

Appendix 2 Ethical Clearance

CHAPTER 1 – INTRODUCTION

1.1 Introduction

Black “Entrepreneurship development across Africa and South Africa in particular has always been a challenge for governments and mu municipalities as individual entrepreneurs in this sector continue to lag behind. This study explores the progress that has been made in the transformation of the construction sector and uses eThekweni municipality as a case study. The first chapter gives a background to the study then clarifies the aim of the study. Objectives and study questions are also presented. This chapter also looks at how the study will benefit various and different groups.

1.2 Background of the study

The Construction sector in South Africa remains one of the most untransformed sectors of the economy. (Thwala 2012) notes that Africa’s second largest economy has done well in the last two decades despite the numerous global financial challenges and this has led to booming business in the construction sector. Even though it seems like there is a lot of work for those in the industry, Black businesses in the Construction sector are confined to the lower levels of micro and small business and this is a serious cause for concern (Khoza 2017). The landscape in the construction sector, as with other sectors of South Africa’s economy, remains largely unchanged after 24 years of Democratic rule and still favors the White minority (Madi 2010). However, pointing this out does not negate to commend the large and positive strides that have been made towards transforming the economy since independence (Thwala and Phaladi 2009).

Thousands of black entrepreneurs have registered companies over the past 22 years and continue to scramble for tenders in the construction industry yet there is no structured program to develop them and their businesses so that they can be competitive enough to be trusted with handling major construction jobs (Dlingwana 2004). This has maintained, and in some cases, increased the gap between Black construction concerns and those that belong to their White counterparts. These Black entrepreneurs lack the necessary knowledge, education, acumen, resources support,

networks, innovation and capacity to impact and change the face of the industry to achieve the desired transformation (Fatoki 2012).

Despite the Democratic government of South Africa having spent billions of rands on infrastructure projects since independence, there appears to be no corresponding program for Black entrepreneurship development, which would ensure that black entrepreneurs are able to seize the opportunities, build sustainable businesses, create jobs, and transform the sector and the economy in (source). This problem could not be as pronounced as in eThekweni metropolitan Municipality of Kwa Zulu Natal which was established in 2000. eThekweni has a population of almost three and half million people with over seventy percent of them being Black, yet poverty is highest within that Black population (Mathee 2006). The construction sector in eThekweni, as (Wong and Thomas 2010) points out, remains predominantly a White industry to the despair of many Black business.

Save for a limited number of equity transactions to date, the construction sector in eThekweni and South Africa as a whole continues to reflect vast inequalities in ownership with little Black entrepreneurship development having taken place since independence (source). There is little penetration of Black owned enterprises in those components of the sector that are more capital and knowledge intensive and this is because, as (Phaladi 2012) points out Black players have been deliberately sidelined at every level to retain the status quo in the industry.

In relation to the Construction sector, there is a growing interest in creating Black owned companies through Black Economic Empowerment (BEE) initiatives (Murumentely and du Preez, 2010). Thus, a number of small to medium sized companies have been established, either by professionals or experienced black employees who gained exposure from larger (mainly white owned) companies or by Black individuals who have identified construction as a lucrative business (Thwala 2008). These small medium sized companies have in many instances failed, and not achieved sustainable growth, with a failure rate of 75%, which is amongst the highest in the world (Fatoki, 2016).

The risk of business failure is present across industries, but more prevalent in the Construction sector because of excessive competition and over reliance on experienced and foreign contractors to take up huge jobs (Wong and Thomas 2010). Thwala and Phaladi (2009) argue that government's attempt to promote Black entrepreneurship development in the Construction

industry has resulted in thousands of smaller companies being formed in the sector. This has meant that many entrepreneurs who enter the sector are inexperienced, and are bound to face financial, managerial and technical constraints (Thwala 2012).

Entrepreneurship development is widely accepted as a primary mechanism to address economic development in South Africa because of the massive projects constantly being carried out in the sector and this why it is of much interest to the study. As Fatoki (2016) notes, construction sector is one of the acid tests of socio-economic transformation policies of South Africa and it highlights the main challenges faced by the process in a very profound” way.

1.3 Problem statement

There has been “so much study on the state of the economy of South Africa in terms of transformation and inclusion of Black people who were historically disadvantaged. Most studies have tended to take a macro approach and not really dissected independent industries and sectors of the economy to find out the challenges being faced by specific sectors of the economy (Khoza 2017). The construction industry is a very interesting area of study given it is one of the few industries that have remained relatively unchanged and not much is known about the extent of transformation and challenges being faced by Black people in the sector. Though there have been a lot of authors and study on transformation who have touched on the construction sector (Dressler 2014; Du Preez 2010, Fatoki 2012, Mathee 2006, Madi 1997 and Dlingwana 2004) none of them has really looked at transformation from solely a construction sector perspective, always, instead, mentioning it in relation to other sectors. This has left a gap in knowledge of sector specific challenges that Black individuals are facing that maybe unique to their sector. eThekweni presents a good case in study because of the diverse nature of its residents and players in the construction sector (Khoza 2017). Therefore, the study uses eThekweni as a case study of the challenges being faced by Black companies in the construction sector with the intention of exploring if transformation has been successful in the drive to attain equality.

1.4 Aim of the study

The aim of the study is to analyse the participation and progress of Black owned companies in the construction sector and the study will use eThekweni as a case study.

1.5 Study objectives

The study objectives of the study are:

- To explore the state of Black Entrepreneurship in the Construction sector in eThekweni Municipality, Durban.
- To find out if Black Business owners understand policies and laws of the construction sector
- To analyze the challenges being faced by Black owned entities in the construction sector of eThekweni
- To come up with recommendations on how to increase participation of Black business in the construction sector of eThekweni.

1.6 Study Questions

From the above study objectives, the following study questions have been derived:

1. what is the state of Black owned businesses' participation in the construction sector of eThekweni?
2. What is contained in the policy framework that guides economic transformation, particularly in the construction industry?
3. What are the challenges that are being faced by Black owned entities in the construction sector of eThekweni?
4. How can the participation of Black owned businesses be increased in eThekweni?

1.7 Significance of the study

The study will benefit Black entrepreneurs who are in the industry to gauge and see their progress in the sector and what they need to do to improve further their position. It also helps those aspiring to join the industry altogether to know what needs to be done in order to be successful in the sector. The association of Black companies in the industry will also benefit from the study as they will be able to look at the collective progress members have made.

The study will benefit government and officials immensely. It gives them a chance to analyse their policies and what impact they have had on the construction sector. This study will also help the officials to see how best they can help Black construction companies attain solid footing in the sector. There is also a chance by law makers to see if there might be need to change laws or policies based on the outcome of study.

There has been a lot of literature on the state of Black companies in the South African economy especially given the country has unique transformation policies. This study contributes to that body of literature a closer look at the state of the construction sector with regards to transformation and the state of Black businesses.

1.8 Conclusion

The chapter looked at the aim of the study and gave a background to the study. The objectives of the study as well as study questions were outlined. The significant factors emanating from this study were then laid out. The next chapter presents literature related to the study”.

CHAPTER 2 LITERATURE REVIEW

2.1 Introduction

This “chapter looks at literature that is relevant to the subject under study. Literature from other published sources is analysed in reference to Black participation in the construction sector and transformation. Although many relevant sub headings are developed, the bulk of the literature is guided by the study objectives and study questions.

2.2 Black Entrepreneurship Development

2.2.1 Definitions of entrepreneurship

The word entrepreneur originates from the French word, ‘entreprede’ which means to undertake (Akani 2010). Hornby (2016), defined an entrepreneur as a person who makes money by starting or running businesses, especially when it involves taking financial risks. Therefore, entrepreneurs have the distinct characteristic of taking risks in business to make money. Drucker (2014), quoted in Jimngang (2016) defined an entrepreneur as someone who shifts economic resources out of an area of lower, into an area of higher productivity and greater yield. Entrepreneurs play a key role in any economy because they are the people who have the skills and initiative necessary to anticipate current and future needs and bring good new ideas to market Cooke (2012). (Jimngang 2016) warned that entrepreneurs who prove to be successful in taking on the risks of a startup are rewarded with profits, fame and continued growth opportunities yet those who fail suffer losses and become less prevalent in the markets.

An entrepreneur is an individual who, rather than working as an employee, founds and runs a small_business, assuming all the risks and rewards of the venture, and the entrepreneur is commonly seen as an innovator, a source of new ideas, goods, services and business/or procedures. Garba (2018) asserted that the term entrepreneurship means different things to different people and with varying conceptual perspectives. For the purposes of this study, entrepreneur, as defined by Cole (2015) refers to starting a business, identifying a business opportunity, organizing resources, manage and assume the risk of a business enterprise.

However, the issue of entrepreneurship is one that needs to be approached with great caution within third world countries. Anescu (2018) argued that if entrepreneurship has the distinct

characteristic of showing innovation to take advantage of or fill gaps within the economy for profit, then those who sell what they can to barely make ends meet should not be considered as entrepreneurs. This extreme position to approaching entrepreneurship was further compounded by Denver (2016) who suggested that most vendors and illegal traders in Africa have assumed the title of entrepreneurs wrongly because of the nature of their practices that do not seem to fall into the conventional fundamentals of entrepreneurship.

Nevertheless, Klaaren (2019) noted that Africa has a very significantly high number of new entrepreneurs who are very diverse and enterprising in trying to take advantage of ever-growing economies of the continent. Denver (2016) noted that the future of Africa lies in the entrepreneurship abilities of her people to take advantage of their resources and make sure that they amass wealth to develop themselves and their communities.

In South Africa, entrepreneurship has been very high amongst segregated communities during apartheid (Reddy 2017). With limitations in the formal market and job industries, disadvantaged groups had to be very innovative in order to earn a decent living without necessarily breaking the rules of the government (Anescu 2018). In more modern times, the South African government, with help of foreign donors and Non-governmental organisations, has managed to put together considerable resources to fund entrepreneurs at different levels (Anescu 2018). However, access to funding and information remains a challenge that needs attention if South Africa is to realise true and lasting development.

2.2.2 Definitions of Economic Development

Development is defined as the act or process of growth, progress and improvement within a physical setting, Hornby (2016), similarly defined development as the gradual growth of something, so that it becomes more advanced and stronger. According to Soba (2015), economic development is related to economic growth, which is a rise in the level of output or an increase in the per capita income of a country in a given period of time. World Bank Development report (1992), identifies the essential components of economic development as raising standards of living, improving education, health and equality of opportunity.

Economic development is the process by which countries with low living standards become nations with high living standards (Cooke 2016). Economic development also refers to the process by which the overall health, well-being, and academic level the general population improves. From a policy perspective, economic development can be defined as efforts that seek to improve the economic well-being and quality of life for a community by creating and/or retaining jobs and supporting or growing incomes and the tax base (Bolton 2016). This is the definition that the study will use.

Economic development has been rather mixed within an African context due to so many challenges. Most challenges to economic development in Africa need urgent redress although they might take decades to fix (Chunga 2018). Paloski (2017) noted that in more recent times, HIV/AIDS has been a serious challenge to economic development in Africa because it has claimed the lives of those who are economically active, and it has claimed so many individuals with brilliant minds that would have had a lasting impact on their societies. Political instability is also a very big problem to the economic development of Africa because it makes the economic environment unfriendly for foreign investors who want to guarantee that their investments are well protected (Coninck 2018). The brain drain has also affected Africa intensely as its best minds are often lost to developed countries that offer a better life and future for these progressive minds (Klaaren 2018).

South Africa, a member of BRICS, is one of the countries that has seen rapid and consistent development in the last 30 years (Klaaren 2018). South Africa has a very diverse economy that generates billions of dollars each year and this makes it very attractive to both domestic and foreign investors (Law 2017). Daisy (2018) notes that in terms of development South Africa is considered by many as a second world country and it has the potential to one day become a first world country.

However, Clarke (2015) notes that development has not been distributed equally internally and this is a serious cause for concern for all South Africans. The gap that historically existed between White and Black people in South Africa is still very much present (Chunga 2018). Chege (2017) notes that the economic development of one group at the expense of another means nothing to the growth of a country and true economic development must bring about a change for good in the lives of all citizens of a country. This explains why the government of

South Africa has embarked on very radical economic reforms to make sure that economic development is also representative of the constitution of the population (Paloski 2017)”.

2.2.3 Definitions of Entrepreneurship Development

UNDP (2010) defined “entrepreneurship development as a process of enhancing entrepreneurial skills and knowledge through structured training and institution building programmes. Entrepreneurship development as defined by Ibegbuten (2009) anchors on a firm belief that entrepreneurship involves a body of knowledge, skill and attitude, which could be learnt and applied by most people who are sufficiently motivated. The development of entrepreneurship will go a long way in providing the necessary impetus for economic growth and development. It will be crucial in boosting productivity, increasing competition and prosperity and revitalizing economies (Ritchie and Laum, 2016).

Entrepreneurial development has been conceived by successive governments as a programme of activities to enhance the knowledge, skill, behaviour and attitudes of individual and groups to assume the role of entrepreneurs (Monday 2016). Odhiambo (2013) defined Black entrepreneurship development as the systematic, deliberate and accelerated programme of capacitating and enabling Black Africans in business the chance to identify, package, develop, organize and successfully manage a medium to large enterprise along with any of its risks in order to make a profit. This is the definition that the study will employ.

Pollock (2017) notes that the major criticism labeled against the entrepreneurship development strategies in Africa and the third world is that they are more interested in promoting those already in business rather than also giving support to those who are yet to get onto their feet. The challenge, as Bozen (2017) notes, is actually down to limited resources and those with money would rather invest in ideas that are already showing promise than in the unknown.

Pollock (2017) insists that there is a serious lack of training and experience in the African development strategies aimed to promote entrepreneurial development. There is lack of mentorship because most entrepreneurs do not have access to those who have already made it in the various sectors of the economy and there are not platforms for entrepreneurs to meet and share ideas (Law 2017). Bozen (2017) argues that in the first place, most entrepreneurship

training in the third world is based on Eurocentric ideas of Western scholars and donors and these are not necessarily applicable in the third world context. This is a serious problem that is being experienced in employing development strategies in third world countries in general and is not limited to just entrepreneurship development (Sorensen 2015).

2.3 South Africa and the legacy of Apartheid

Apartheid refers to a deliberate system of racial segregation that was made law in South Africa in 1948 by the National Party (Abdou 2017). This system was characterized by White supremacy and thereby segregated all other races for the benefit of the White minority (Hondo 2018). Abdou (2017) notes that to protect White supremacy and interests, the laws prohibited marriage between White and Black South Africans and moved Black people to unfertile land known as the reserves.

Apartheid was not only limited to voting rights and land rights as many people think, it shaped the social fabric of South Africa in a way that is quite different from most parts of the world (Hondo 2018). It separated coloureds, Asians and Black people as well with Black native South Africans at the bottom of the social order and these deliberate policies of segregation left Black people worse off (Muchena 2018). Between 1960 and 1983, over 3,5 million Black people were removed from their homes and forced into segregated homes in what has been described by Hondo (2018), as one of the greatest mass evictions in modern day history.

The international community noticed with great concern the system of Apartheid and how its implementation was against the principles of human rights and human freedoms that were generally agreed world over after the Second World War (Mbachu 2018). Whilst there was increased pressure within South Africa that led to the birth of liberation war movements, the international community imposed various types of sanctions against South Africa that isolated the country in a bid to force authorities to discard apartheid (Muchena 2017). The system of apartheid was eventually abolished in 1994 when South Africa attained independence from White colonial rule and this resulted in a system of equality being put in place (Mbachu 2018).

2.3.1 Apartheid legacy and transformation

The government of South Africa has come up with various measures to try and redress the ills of apartheid system. The BEEE laws, as mentioned before, are a deliberate attempt by the government to make sure that once marginalised groups, particularly Black people, catch up in all aspects of life with their formerly privileged counterparts (Mbachu 2018). These transformation laws seek to accelerate the progress made by Black people by deliberately giving them preference once extended to their White counterparts. There are serious challenges that are being faced by South Africa in the bid to transform society and make all aspects of life representative of population demographics as well as to alleviate poverty (Latif 2016).

South Africa's still finds itself battling with the effects on apartheid decades after it was abolished because it had deep rooted effects on socio-economic structures of society (Latif 2016). (source) suggested that the White minority might have known that their stranglehold on power would not last long so they sought to amass as much wealth as possible before Black majority could rally up and attain independence. The government of South Africa, which has been run by the ruling Africa National Congress (ANC) since independence, has insisted on policies that will make wealth distribution reflective of the population and its composition (Bowen 2017).

The effects of apartheid are still well embedded in the social fabric of South Africa. Latif (2016) noted that the wealth gap between Black and White people is so tremendous that decades on it is very visible that White minority have a lot of money and Black people do not. The important aspect of generational wealth created for White people by apartheid is that it has given them the ability to shape economic and social norms in South Africa (Nyazema 2016). Most of the fertile land in South Africa is still owned by the minority White people and this has guaranteed that they keep making money off the land they seized forcefully hundreds of years ago whilst Black people are often then forced to be laborers on the land for little money (Latif 2016).

Black and White neighbourhoods still exist in South Africa. Whilst there are no laws prohibiting Black people from buying property wherever they want, the system in place keeps some areas exclusively for White people and such areas have the best malls, security and schools (Latif 2016). Source notes that most land developers and estate agencies in these places are White owned and they give preference to buy and sell to White people to retain the status quo of how the areas are constituted and this is just one example of the legacy of apartheid in South Africa.

Owusu (2018) noted that there actually still exist white supremacist groups in South Africa that believe Black and White people are not equals and as a result they should be separated. At the same time, there are Black nationalists who also believe that White people should be stripped of all possessions as they seized them from Black people and they should be forced out of South Africa entirely (source). It is against this back ground that the rainbow nation of South Africa finds itself trying to transform society and move on from periods in its history where people were segregated.

One of the most unfortunate legacies of apartheid in South Africa has been a very strong culture of violence. Owusu (2018) notes that South Africa has one of the highest crimes rates in the world. With an estimated 60 murders a week over the past 5 years alone, South Africa finds itself on an exclusive list of dangerous countries in the world (Muchena 2018). (sources) suggests that after years of ill-treatment and not having the means to fend for themselves and their families, Black men in South Africa developed a system of stealing with violence as their main weapon.

Further from the violence is the hate crime that characterises crime in South Africa (Muchena 2018). Latif (2016) noted that so many White people are robbed, maimed and killed in South Africa everyday by Black men who feel that they do not have any possessions as a result of the White men and in some instances, police report White people having been killed and nothing stolen from them. Reports of White people unjustly shooting Black people in alleged self-defence are also rampant in South Africa and this racially motivated violence does not seem to be dying down which is worrying at a time South Africa is trying to transform its society

(Muchena 2018)”. The apartheid legacy of segregation and hate is a serious obstacle in efforts to transform South Africa (Kelly 2018).

Perhaps “the biggest social challenge that was caused by the apartheid system has to do with tribalism in South Africa. It was colonial policy all over Africa to play one tribe against the other by appointing individuals from rival tribes to police their enemies (Kelly 2018). It was an effective strategy of rule and divide because it created and fostered a culture of mistrust and hatred amongst Black people (Abdou 2017). Decades later this hatred and mistrust amongst tribes in South Africa still exist and they threaten efforts to transform society (Muchena 2018).

Latif (2016) argues that it is important to understand and appreciate the sensitive aspects of South Africa’s deep-rooted tribalism if there is to be meaningful progress towards a true transformation. True transformation will have to start with Black people themselves coming together and changing how they relate to one another because without one common vision and goal it is easy for other groups to still use divide and rule tactics of the apartheid era (Hondo 2018). Latif (2018) goes on to note that South African tribes are very proud of their heritage and history to the point where it becomes detrimental in efforts to put all those differences aside and stand as one people.

Ramphela (2010) suggested that tribal and ethnic consciousness is often heightened by the lack of other focal points of solidarity amongst people who belong to one country. Thus, before any meaningful transformation can take place, there has to be sound and solid common grounds for association amongst people of a country other than belonging to the country and this is what the government has tried to fix (Latif 2016). Through sport and other projects such as a national anthem that incorporates most major languages, government of South Africa is trying to destroy the deep-rooted tribal differences created by apartheid (Hondo 2018).

It is therefore not surprising that transformation efforts have been built around concept of ubuntu in South Africa (Latif 2016). Ubuntu, as Hondo (2018) explains, is the idea that we as people are

who we are in relation to all those around us. This has been the rally cry of the ANC government since independence as they try and galvanise society to belief in common causes and realise that despite diverse backgrounds all South Africans should work together as one nation (Latif 2016). The need to bring Black people together in South Africa can never be overestimated and the success of transformation efforts is heavily dependent on it (Hondo 2018).

To add onto the tribal issues in South Africa is the influx on foreigners from the region and the continent at large into South Africa. Major South African cities like Johannesburg, Pretoria, Cape Town and Durban are cultural melting pots that have some of the most diverse populations on the entire African continent (Gondo 2017). With an estimated (but not confirmed) 3 million Zimbabweans in South Africa, it just shows the influx of foreigners in the country to add to the cultural dynamics of society. Foreigners from The Democratic Republic of Congo and Nigeria for instance, have been accused of bringing in a culture of use of drugs and other illegal substances that has negatively contributed to societal development (Latif 2016).

Gondo (2017) notes that the culture of South Africans has been diluted through social interaction and marriage with the foreigners who have settled amongst them. This poses new challenges for transformation as it has to cater for and include all members who have integrated into society through migration and marriages (Dube 2017). Whilst most Black foreigners in South Africa remain undocumented illegal migrants, they are very much part of the social fabric and have added to the Black tribal dimensions that are still quite visible (Gondo 2017).

One of the negative impacts that Black foreigners have had on South African society is that their presence has resulted in the increase of violence that is based on tribe or origin of people (Lopez 2018). Xenophobia has increased in South Africa since the year 2000 with so many foreigners displaced or killed by South Africans who feels that these people should not be amongst them (Latif 2017). Whatever the causes of xenophobia, it has contributed to hate and violence amongst Black people and this is a cause of concern for the government that has sought to make sure that

Black people in South Africa, regardless of origin and tribe, can take the opportunity to advance themselves in all aspects of life (Lopez 2018).

To remove the legacy of apartheid education and wealth are important elements. Ramphela (2010) argued that ethnic consciousness is also reinforced where access to resources are limited and framed along ethnic lines. The problem in South Africa that is created by tribalism is that most of the politics also follows tribal lines and not necessarily the appeal of policies and the charisma of leaders (Abdou 2017). Mohuba (2017) suggests that some people in South Africa will vote for an individual based on their ethnic heritage and not based on their policies or qualities as a leader and this shows deep rooted tribal sentiments amongst many with the population. Politics is seen as a means to get wealth and the belief is that once an individual of certain tribe gets into power then people from their tribe will proposer along with them so transformation efforts have to be centred on non-tribal politics and the belief that leaders will work for the betterment of all lives and not just their tribes (Lopez 2018).

Education of Black people is also very important in the drive towards transformation. Part of the legacy of the apartheid was to train the Black worker only to read, write and understand basic instructions to effectively carryout manual tasks or follow given instructions (Gondo 2018). Teaching Black people about their history and world systems will give them a sense of belonging and purpose that allows them to accept and comprehend transformational goals and policies (Lopez 2018). The government has since announced free tertiary school education for some sections of the community that are underprivileged and cannot afford higher education (source). The majority of these groups that stand to benefit from free education are Black people and empowering them with education helps to transform South Africa (Gondo 2018).

Without sound education of the Black masses in South Africa, transformation is doomed. Therefore, there is need to promote education amongst Black people and break down barriers put in place by colonial regimes amongst which the myth internalised by Black people that school is for White people and some professions are beyond Black people's scope and understanding

(Gondo 2018). Education, as Latif (2017) put it, changes the way that Black people look at themselves and that is the premise on which all idea of transformation should be based on. So many Black people in South Africa are blessed with innovative business ideas and getting some education allows them to harness their skills whilst packing them to ideally suit the world of modern-day business Hondo (2018).

2.3.2 Apartheid legacy and construction sector

As a result of apartheid policies, White privilege still exists not only in business ownership but also in the workplace years after independence (Latif 2016). (Muchena 2018) suggests that the construction industry is one of the industries where the segregation of society is still very much represented perfectly years after independence. During the colonial era, Black people were only used for physical manual labour in the construction industry and their main jobs were confined to site jobs and cleaning work areas (Lopez 2018). Coloured and Indian people were often supervisors for Black people because of their fairer skin.

The construction industry now is not any different with Black people still marginalised to jobs that do not require much skill and are labour intensive (Nyazema 2016). Although there are many reasons as to why this is the case, it is the situation on the ground that transformation policies have to look into. (Lopez 2018) suggests that the construction industry provides a real test for transformation policy in South Africa.

2.4 Policy & regulatory environment for Regional economic development

Economic development policy governance within a globally integrated and multilayered market system has come to reflect the new context of regional development (Cooke and Shwartz, 2017). By definition, the new regionalism refers to approaches to economic development that focus on promotion or nurturing geographically concentrated and locally driven ecosystems and networks of economic adaptation or reinvention in an age of increasing global integration (Holbrook and Wolfe, 2002). It often consists of the building of a complex and intricate fabric of regional clusters of innovation, production and exchange systems. These systems can range from multimedia and biotechnology sectors in large Metropolitan areas to more traditional sectors,

such as wood products, located in non-metropolitan settings. Another way to understand the new regionalism is to make a distinction between clusters of learning and innovation linked to global value chains (Roy 2017).

Several scholars have already shed invaluable light on critical issues and dimensions relating to the institutional dynamics in the new regionalism. For instance, Valeria Gaurneros-Meza and Mike Geddes (2010), look at regional development governance as a function of local governance and community participation. Similarly, Intermak and Duyvendak (2008) examine new trends in regional governance through the lens of citizen participation, while Andrew Coulson and Caterina Ferrario (2014) utilize the concept of constitutional thickness to capture the network characteristics of regional governance.

Powerful regional blocs have emerged to give a sense of purpose and unity towards common goals for people who are in the same regions as countries have come to realise the benefits that can be derived from working in numbers (Coninck 2018). The European Union (EU), is arguably the most powerful and successful regional bloc to date and has made good strides in negotiating sound economic policies and transactions amongst member states and with other countries or blocs (Daisy 2018). The European Union shows that there is strength in numbers when it comes to economic development, yet it gives evidence that unions can be very tiresome and chaotic business (Reddy 2017).

South Africa is part of the Southern African development Community (SADC) and it has good working relations with its regional partners (Anescu 2018). Bozen (2017) notes that although there are sound economic policies and policy agreements, much work needs to be done to implement standard economic policies in the region and member states are dragging the idea of tariff free trade zones because of different economies (Chunga 2018). These challenges are also being experienced by other regional blocs in Africa and the third world in general (Anescu 2018).

There are a few bodies for professionals in the construction industry at a regional level but most of the work and coordination is carried out by relevant ministries within the governments of member states and according to Bozen (2017), this is a huge disadvantage to business owners in

the industry. Daisy (2018) suggests that the lack of a clear regional strategy on construction and construction standard at a practical business level is the reason for serious disparities in the quality and quantity of construction work produced in the region. The economic development and performance of each country also directly affects its internal construction patterns and this is a challenge for regional development and standards (Law 2017).

In South Africa, regional economic development and transformation, in particular black entrepreneurship participation, is driven by policies related to public procurement and, is used as a policy tool to drive transformation and black entrepreneurship development. Currently in South Africa, procurement is of particular significance in the public sector and has been used as a policy tool due to discriminatory and unfair practices during apartheid (Bolton, 2016). Procurement is central to the government service delivery system, and promotes aims which are arguably, secondary to the primary aim of procurement, such as using procurement to promote social, industrial or environmental policies (Cane, 2014). Prior to 1994, public procurement in South Africa was geared towards large and established contractors. It was difficult for new contractor to participate in government procurement procedures (Paloski 2017). However, public procurement in South Africa has been granted constitutional status and is recognized as a means of addressing past discriminatory policies and practices (Bolton: 2016).

Reforms in public procurement in South Africa were initiated to promote the principle of good governance, and national treasury introduced a preference system to address socio-economic objectives (Miles 2017). The reform processes were due to inconsistency in policy application and lack of accountability and supportive structures as well as fragmented processes (Anescu 2017). Although the processes have been said to have been largely politicized by top government officials, the intention is to guarantee that Black people also start to get a large portion of money especially from government funded projects to bridge the gap with already established White counterparts (Miles 2017).

Matthew (2015) asserted that a uniform implementation approach to procurement was required, due to a study on opportunities for reform processes in the South African government (2000)

conducted by the Joint Country Assessment Review (CPAR) and the World Bank in 2001. The deficiencies and fragmentation in governance, interpretation and implementation of the Preferential Procurement Policy Framework Act (PPPFA) Act No 5 of 2000, resulted in the introduction of supply chain management (SCM) in the public sector as a policy tool (National Treasury, 2005;8). This was government's attempt to achieve the desired strategic policy outcomes through public procurement (McGrudden, 2014).

The results have been largely mixed because of the lack of uniformity in how the laws and rules have been structured and implemented (Law 2017). Daisy (2018) notes that different government departments have interpreted the law in subtly different ways with largely evident different results and this has had an impact on the overall success of the process. Klaaren (2019) has argued that it is impossible and not realistic to expect the various government and local government departments who deal with very different issues and circumstances to come up with a standardized way of implementing the policies. In any case, as Miles (2017) articulates, the implementation of procurement laws has no precedence in South Africa and the region so they are work in progress and the criticism often forgets to give credit to the" progress that has been made.

2.4.1 Entrepreneurship development programmes and their impact on transformation and economic growth

Businesses serve a critical role in driving more inclusive and sustainable development (Fatoki, 2015). Large "companies can create positive impact by guaranteeing the success of upcoming players in their sectors (Chege 2017). Corporates can achieve this by including small businesses into their value chains to ensure that small business can sustain themselves whilst learning how to grow their businesses. In partnering with local government and their communities, large companies can also help efficient business models that promote growth and transparency which are key to entrepreneurial development in local communities (Thwala; 2009).

In explaining the importance of entrepreneurial development programs in third world countries, Bozen (2017) insisted that helping small businesses to achieve sustainability and growth is vital for both the development of industries and corporations with the economy at large benefiting

immensely. With ever increasing populations in third world countries that have strained available conventional resources, Law (2017) notes that small businesses are critical for job creation, improving living standards, raising productivity and achieving inclusive economic growth and social cohesion.

In the coming years there will be a great demand for jobs and the private sector will be the core to the solution of this challenge (Wong & Thomas; 2016). Many of the new jobs will come out of small, medium and micro enterprises, which is why enterprise development programmes are emerging around the world (Du Preez; 2016). Governments have realized the importance of helping small enterprises to help them grow and create employment with the view of eradicating poverty (Clarke 2015). Richard (2018) has noted with interest how some small-scale companies in South Africa have grown over the past decade into big entities with government support and have been able to contribute to exports significantly (Chunga 2018). This has not been uniformed across the sectors of South Africa with those involved in sectors that give short terms returns benefiting more from programs than those in projects that take a lot of time (Richard 2018).

A lot of entrepreneurship development programs have sprung up around South Africa to better manage entrepreneurship development efforts at a national level as well as regional and communal levels (Richard 2018). Whilst some of the development programs are sector specific, other are just regional or communal and so they take different approaches to entrepreneurial development (Drinkwater 2018). (Reddy 2017) notes that development programs, like development itself, have been uneven because different regions have different economic environments and the same can be said about the various sectors (Chege 2017).

Some of South Africa's Entrepreneurship development programmes include: -

Junior achievement South Africa Enterprise Development Programme

The Women's Enterprise Development Initiative

Standard Bank Enterprise Development Programme

ABSA Enterprise Development Fund

First National Bank – Vumela Enterprise Development Fund

Nedbank Enterprise Development Programme

Tholoana Enterprise Programme

The Royal Fields and Job Fund’s Enterprise Development Programme

National Youth Development Agency

Vukuzakhe Contractor Development Programme

Construction Incubator

The Construction sector is a major contributor to GDP (industry insight 2016) as at 2014, the total investment in Construction as a percentage of GDP stood at just above 10%. The leading sector is Civil Engineering which contributed more to gross income, for the years 2014, 2012, according to Statistics South Africa (2013).

This sector derives its work, mainly from government and parastatals, through delivery of infrastructure projects such as energy, sanitation, water, transport and mining (industry insight 2016).

Government spends billions of rands, each year, on these infrastructure projects. It is therefore logical to expect Black entrepreneurship development to be driven more from the construction sector. Information from the South African Federation of Civil Engineering Contractors (SAFCEC, 2004) confirms that the majority of South Africa’s SME Construction companies are Black owned and operated. Study by Statistics SA (2013), point out the fact that SME’s in the industry generated a combined share of 36% of the Construction Industry’s total income in the year 2011.

The CIDB (Construction Industry Development Board, (CIDB, 2010) affirms that many of these black owned construction companies are concentrated at the lower end of the CIDB database of contractors. The upper grades, 8, 9, are fewer (predominantly) white contractors. These statistics show, evidence, and need for intervention to accelerate Black owned construction

companies to climb the ladder of the CIDB grading, and attain higher grades. This can be achieved through a systematic Black entrepreneurship development programme.

The Global Entrepreneurship Monitor study (GEM, 2008), argues that the South African entrepreneur operates in a very unique environment in that, there are more factors that are negative for entrepreneurship than those that are positive. This further speaks to the need for Entrepreneurship development.

2.4.2 The impact of City contracting set asides on Black Companies

In the 1980's many US cities-initiated programmes reserving a proportion of Government contracts for minority owned businesses. The staggered introduction of these set aside programs is used to estimate their impacts on the self-employment and employment rates of African Women Black business ownership rates increased significantly after program initiation, with the black-white gap falling 3 percentage points. The evidence that the racial gap in employment also fell is less clear as it depends on assumptions about continuation of pre-existing trends (Aaron 2014). The Black gains were concentrated in industries heavily affected by set asides, and mostly benefited the better educated (Aaron, Chatterji 2014).

Since the early 1970's hundreds of billions of dollars have been spent on programs that set aside or set percentage goals from government contracts for minority-owned firms and sub-contractors. In 2008 alone, \$28.2 billion of federal procurement contracts were awarded to disadvantages business enterprises, representing 6.3% of the total value of all federal contract awards (SBA 2008). The amount spent on affirmative action contracting for minority-owned forms dwarfs the total (B) amount spend by the federal government on enforcement of statutes legislating on the discrimination and affirmative action in employment, such as Title VII of the 1964 Civil Rights Act and Executive order 11246. The 1980's in particular, witnessed substantial growth in the value of city government contracts reserved for minority owned business. The stated purpose of these set-aside programs was to develop minority enterprise, counter the effects of past discrimination, and reduce the high unemployment rates among urban minorities during the 1980's (Aaron 2014).

Over the last two decades, the city programs established in the 1980's have been judicially challenged and dismantled. The *City of Richmond vs Croson Co.* Supreme court decision in January 1989 invalidated the use of such programmes unless they were used as narrowly tailored remedies for identified discrimination. The 1995 *Adarand Constructors, Inc. v Peña* Supreme court decision and voter referenda passed in California (1996), Washington (1998) and other states, further brought into question the future of government sponsored set asides. Given the legal and political controversy surrounding the programs, there is surprisingly little quantitative evidence of their efforts, especially on the formation of minority owned businesses.

The impact on black self-employment is of special interest since blacks continue to have substantially lower rates of business ownership than whites even in light of major gains made in education, earnings, civil rights and political representation (Farlie and Robb 2008). As the main alternative to wage and salary employment, business ownership has important implications for earnings and wealth inequality. Prior work suggests that the self-employed accumulate more wealth than wage and salary workers and have higher savings rates (Bradford 2015). While business owners represent roughly one-tenth of the workforce, they hold nearly 40% of total US Wealth (Moore 2016). Further since black firms are more likely to lure minorities, it has been argued that promoting black business growth is a more effective approach to reducing black unemployment from overall economic development (Belts 2015).

A growing number of studies indicate that limited financial and social capital and discrimination are partly responsible for low rates of business formation among blacks (Richard 2018). Blacks have been found to face discrimination in credit market which will constrain business formation even when the return of the business exceeds the market borrowing rate and low levels of personal wealth and liquidity constraints may also reduce opportunities to start and operate successful black businesses (Drinkwater 2018). Previous study further finds that Black firms face consumer discrimination and have limited opportunities to penetrate networks, such as those in Construction, each of these barriers to black business creation suggests a potential for affirmative action contracting to address an efficiency loss (Richard 2018).

City programs were preceded by several years of declining black employment in the industries that did not benefit from the programs (e.g. manufacturing and government). Black employment rates in the sectors most affected by set-asides, however, are more stable in the pre-program

period. The Black gains are concentrated in industries heavily affected by set asides and accrued mostly to the better educated. It appears that city programs led to re-allocation of self-employment from white to black men, as there is little change in the aggregate rates (Borjas 2015). This finding is sensible as overall spending by City governments did not change - that is set asides appear to have impacted the share of contracts awarded to minority firms, but not the total amount of awards. The employment effects in the most affected sector imply that set aside programs increased black employment more than affirmative action programs that explicitly set goals for minority listing in firms that receive federal contracts (Borjas 2014)”.

2.4.3 Economic Transformation

Transformation, “in economics, refers to a long-term change in dominant economic activity in terms of prevailing relative engagement or employment of able individuals (Odhiambo 2013). Kangai (2015) described transformation as the inevitable changing of composition of output that the economy is producing and ownership and control patterns; who owns entities that are making the most production in the economy and who manages the decision mechanisms on investment policies.

Economic transformation has become topical and very important in the third world because of the nature of their economies which are heavily dependent on production that is mainly from large corporations and Multi-National Companies (MNCs). The control of the economy by large powerful organisations has to be managed by the state itself if there is going to be meaningful development for some upcoming businesses that are owned by locals in African countries (Clarke 2015). One of the ways in which some African governments have managed to guarantee the participation of the poor majority of their people is reserving entire sectors or certain percentages for these minorities in order to guarantee their participation in the economy to transform composition and ownership of processes and outputs (Chege 2017).

Daisy (2018) notes that one of the ways in which traditionally powerful companies and corporations have been forced through legislation to plough back into the economy and help transform societies has been through imposition of strict social corporate responsibility

mechanisms (Chege 2017). For instance, in Zimbabwe companies are forced by law to invest at least 10% of their profits directly into the communities in which they are situated, and this has forced them to build schools, hospitals and fund local development projects for women and disadvantaged groups (Daidy 2018). Therefore, legislation is seen as an essential tool for making sure that economic transformation is accelerated and realized (Chege 2017).

Another way that governments have been able to ensure the acceleration of economic transformation has been to make it law that large companies should give some percentage of their company shares to local businesses by either allowing them to buy shares or giving them to groups within the communities in which they operate (Polaski 2017). Law (2017) noted that this guarantees the passing down of knowledge as well making sure that some significant percentage of profit from the corporation is retained directly in the community in which they operate.

A short while after gaining independence, most African Statesmen realized that real freedom was not in attaining universal political suffrage but in making sure that the masses are empowered economically in order to change their lives for the better (Law 2017). Thus, the new struggle for economic freedom was born in the third world and this time those formally oppressed have the distinct advantage of having the law and means to manipulate it to suit their needs (Denver 2016). As pollock (2017) puts it across, economic transformation is very controversial because it is seen by others as to be infringing on property rights especially when some companies are asked by law to give shares unwillingly to others.

Source noted that most African countries have come up with economic reforms or transformation methods of sorts to try and quicken the pace of development of natives who were subjected to unfair colonial rule (Goodwin 2017). Although it has been argued that economic transformation policies in Africa also discriminate against White people, it is important to realise why they are a necessity in the drive to alleviate poverty and raise the standards of living of Black people. Thus, economic transformation does not hide its true nature as a force that is directly meant to sweep away, or at least limit, the stranglehold of a few people on the economy of a country (Pollock 2017).

The historical disadvantages for Black people as a direct result of the legacy of a century of colonization has necessitated aggressive economic transformation laws that Pollock (2017)

claims are actually embedded in the Sustainable Development Goals (SDG). SDGs strive to end poverty, and to transform all aspects of human life in the third world and economic transformation give provision for governments to be able to achieve this goal (Drinkwater 2018). Klaaren (2018) argues that the only way to move towards poverty eradication is to directly transform the ownership and utilization of economic resources for their benefit.

One of the areas where socio-economic transformation has been brought to the fore front of global discussion has been International sport. Klaaren (2018) notes that both Zimbabwe and South Africa put in place quota systems for cricket and rugby to force the governing bodies of the sports to include more Black players. In order to improve the visibility of the majority of the population in the beloved sports, governments had to come up with policies to force the issue and this is an example of how radical transformation has been employed by governments after decades of stagnation towards what should have been natural transformation (Daisy 2018). Coninck (2018) notes that the issue of sports and representation is not just a social issue because sport has globally grown to become a multibillion-dollar industry that rewards players handsomely therefore it should be taken seriously as a means of making sure that the lives of Black people are transformed.

In South Africa, economic transformation was necessitated by the previous existence of laws that deliberately favored White minority population and intentionally sidelined other races from all aspects of human life as a deliberate attempt to give and establish White privilege (Kangai 2015). Therefore, transformation needed to be accelerated by policies and laws that redress the traditional status quo and deliberately give advantage to previously segregated groups (Goodwin 2017).

Economic transformation in South Africa has been termed radical by many scholars and observers because it is very aggressive and deliberate in making sure that traditionally disadvantaged groups can practically benefit from economic activities (Denver 2016). The process has involved government putting in place the necessary legislative infrastructure that guarantees the participation of Black people in the economy. Denver (2016) notes that some of the laws put in place deliberately forward the economic interests of Black people by excluding

White people from certain economic processes”. This is why it has been termed as radical economic transformation by some members of the media and academics.

Radical “economic transformation in South Africa has not only targeted the ownership of business but has also targeted the composition of workforce in various companies which had a biased liking for White laborer’s (Reddy 2017). Forcing them to take on more Black employees also helps Black people to get practical experience in areas and fields which had been traditionally reserved for a few white minorities thereby transforming the shape of those industries (Miles 2017). This has also seen a sharp rise in the number of Black CEOs and other decision-making positions to help place the interests of Black people in South Africa (Reddy 2017).

2.5 The construction sector of South Africa

The Construction Industry in South Africa is one of the country’s largest economic sectors with significant contribution to GDP (Industry Insight, 2012). By the end of 2012, the industry attracted well over 9% of investment and for an economy that is the second largest on the continent, this figure is very significant. According to Statistics SA (2013) the gross income for the year 2011, within the construction industry was R267 014 million, with the Civil Engineering sector accounting for R104 670 million. Therefore, the significance and contribution of the construction sector to the overall development of South Africa cannot be over emphasize.

To regulate the Construction Industry, in South Africa, the Government has established the Construction Industry Development Board (CIDB) by an act of Parliament (Act 38 of 2000), in October 2000. The CIDB is therefore a statutory body which aims to drive South Africa’s integrated development strategy, by regulating and managing the Industry. It is mandatory for Contractors to be registered with the CIDB, should they intend to engage in public sector contracts, however it is not enforced on firms engaging work in the private sector (Owen 2014). This registration allows contractors to be graded according to their experience and financial capability. They are only allowed to contract on projects in their respective categories and therefore reduces the risk of nonperformance among constructors (CIDB 2008).

Statistics South Africa (2011) identified the civil engineering sector as having been the largest contributor, accounting for 39% of the Industry total income. Funding for this sector is mainly by government and state-owned enterprises and is primarily made up of economic infrastructure investment such as water, sanitation, transport, energy and mining (Industry insight (2012). Therefore, in South Africa, it should be noted the government plays a significant role in infrastructure development and this is the case in most African countries (Owen 2014).

The construction sector is considered as a key industry in the alleviation of poverty and raising of socio-economic profiles of the people of South Africa and this makes it very important in transformation and business discourse (Sharma 2015). Chibwe (2017) noted that the industry is one of the most diversified and fastest growing in the country thereby attracting much attention and scrutiny. According to the CIDB (2016), there are approximately, 14 300 construction companies registered on the CIDB database with an estimated 76% being Black owned.

The Construction Industry is made up of many disciplines. The CIDB register classifies contractors into the Construction discipline in which they specialize, that is, Civil Engineering, general building, electrical engineering, mechanical engineering and specialist work (CIDB 2007). Contractors are further graded according to their highest turnover achieved and capital available to determine their CIDB grade. The grades range from 1-9 whereby a grading of 1 allows a contractor to tender and undertake work up to the value of R200 000 whereas on the other end of the scale, a grade 9 contractor has no limitations (Sharma 2015).

Information from the South African Federation of Civil Engineering (SAFCEC) (2014), also indicated that the majority of South Africa's SMME construction companies are black owned and operated which is in line with government policies of economic transformation. Study by Statistics SA (2013), highlighted that SME's within the Construction Industry generated a combined share of 36% in the year 2011, thereby highlighting the progress of Black businesses in the sector. However, Chibwe (2017) emphasizes that there is a large number of Black owned SME contractors at the lower level of their database (Grade 1) as compared to upper end (Grade 9) which has fewer large contractors which are predominantly White.

The construction sector of South Africa is also important for the growth of other industries that rely on its success for their own growth. There are a lot of materials and resources that are used

in the construction sector so those who supply such materials and supportive services also experience good business when the sector is performing well (Richard 2018). The growth of one sector has ripple effects on other sectors so the success of the construction sector in South Africa has been very important and significant for other sectors of the economy as well (Daisy 2018).

2.5.1 CIDB Construction Monitor report on Transformation 2018

The Construction Industry Development Board (CIDB) monitors transformation in the sector and provides in-depth information on trends and challenges within the sector (Lekwati 2018). The 2017 report monitored various aspects on a quarterly basis, Quarter 1 focused on Supply and Demand, Quarter 2 focused on Contractor development, Quarter 3 looked at Employment and Quarter 4 studied Empowerment patterns in the sector (Dustin 2018). The monitor presents an assessment of the transformation of the construction sector, based on national policy, with a focus on the consulting engineering and contracting service providers (Lekwati 2018). The information that is used is largely drawn from the CIDB register of contractors, the CIDB register of projects and the consulting engineers of South Africa (CESA) economic capacity survey (Dustin 2018).

Therefore, the information obtained in the CIDB monitor is based on properly registered players who are conducting mostly mid to large scale projects and therefore mostly does not cover very small construction projects which are the bulk of the work being carried out by Black players in the construction sector (Brian 2018)”. Never the less, “it provides rich information on the dynamics of the construction sector that help to analyse the status of Black Economic Empowerment and entrepreneurship progress in the sector (Woodcork 2018).

It should be noted that some of the work that is carried out in the industry is not registered for various reasons. Most of the unregistered work is people building houses or other properties for other people (Woodcork 2018). In most cases, middle to low income housing is based on agreements between the owner of the structure and the person carrying out the job and this will not constitute work that is registered with the CIDB (Lekwati 2018)”. This makes the CIDB monitor a bit limited though it still provides rich information on transformation.

2.5.2 Government and transformation

Government has “the unenviable task of monitoring and ensuring the implementation of transformation in South Africa. This is because once any laws are passed in South Africa it is the duty of all citizens to ensure that they adhere to these laws and the government serves as the vehicle that facilitates the implementation of such laws and consequently to make sure that the laws are being adhered to (Lekwati 2018). It is therefore government’s constitutional responsibility to provide a clear transformation road map and to monitor the implementation of transformation to guarantee that the constitution of South Africa is being upheld (Brian 2018).

Poverty alleviation is naturally a top priority for any society and their government. In 2015 it was estimated that as many as 65% of the Black population in South Africa are living in poverty and this is a significant number given that Black people constitute 79,25% of South Africa’s total population (Ervine 2017). To put it into proper context, the United Nations (UN) describes poverty as earning less than 2 United States of America dollars per day (Woodcork 2018). For a country that has been ranked by many as second world nation and with a Gross Domestic Product (GDP) of over 390 million United States Dollars, the poverty amongst Black people is as shocking as it is unacceptable (Ervine 2018). This has necessitated an aggressive form of transformation in South Africa where laws have been enforced to force the issue in a bid to quicken the pace of transformation and alleviate the poverty of majority Black people (Nortjie 2018).

The wealth gap between White people and Black people in South Africa is massive and this is not unique to South Africa only and is common across the continent (Nortjie 2018). The government of South Africa is faced with the task of overseeing, if successful, arguably one of the greatest wealth transfers the world has ever known in terms of the number of people who are to benefit and the sums of money involved (Ervine 2018). Nortjie (2018) notes that this unique and never seen before type of transformation must be carried out with extreme caution if it is to be successful. With no point of reference, the government of South Africa faces a daunting but not impossible task of reversing the fortunes of their people (Woodcork 2018).

whilst the government has the mandate to ensure that transformation takes place, it is also heavily reliant on the corporation of companies and individuals in the construction sector for South Africa to successfully realise meaningful transformation of the sector (Erasmus 2018). Lekwati (2018) noted that although the government has the means and structures to enforce transformation, the policy itself seems to favor mutual understanding between government and business in carrying out transformation (Erasmus 2018).

The ruling African National Congress (ANC) party is historically a communist party and since attainment of independence business has tended to be skeptical of typical communist policies which tend to be populist in nature (Sechaba 2017). As the first majority government of South Africa, it has had to take some radical measures to ensure equality of South Africans and this has not always been met with support from influential and traditional White businesses in South Africa who are powerful in their right (Mtombeni 2018).

The history of colonialism and the communist characteristic of most liberation movements on the continent (including the ANC) leaves a lot of questions and scrutiny on their policies after obtaining independence (Mtombeni 2018). As Sechaba (2017) suggests, this poses a very tough and interesting question, which is; is the policy on transformation based on populist ideology that seeks to hand over all economic control to Black people or it is purely a model based on creating equality and even opportunities for all South Africans. This makes the role of the ruling party and its government very delicate as they try to apply policies that will make South Africa better for all its citizens (Mtombeni 2018).

Apart from providing legislative policy framework which guides how transformation is to be carried out through the assistance and guidance of relevant ministries and government departments, the government also spends a lot of money annually to provide resources that are needed to carryout transformation (Nortjie 2018). The government holds workshops to make all people aware of transformation goals and it also helps the stakeholders involved to understand their roles and what they need to do to ensure transformation (Brian 2018).

Brian (2018) noted that all successful democracies seek mechanisms to ensure that access to decision making and resources is untied from tribal identities and even highly industrialised countries like Canada continue to face the challenge of Anglo/French tensions in the Quebec province. Therefore, it is important from government structures to desist from tribal implementation of transformation policy as this would only cause further divisions amongst already polarized Black people in the country (Lekwati 2018).

The government is also faced with the delicate challenge of how to handle traditional leaders with regards to transformation. Lekwati (2018) notes that tribal and traditional leaders have always played a significant part in the lives of Black people and they embody all that is divine and sacred. Traditional leaders in South Africa are part of the government structures and have power that is respected by the constitution (Erasmus 2018). Their religious, social and constitutional power gives them a significant standing when it comes to matters of national interest and the Government has to be fully aware to respect that (Ervine 2017).

Ervine (2017) argues that though some traditional leaders have more power and authority than others based on the size of their tribes, the government should handle all of them as equals and this is a delicate act in itself. Chief desire greater control and influence over resources particularly in their traditional spheres of influence and this possess headaches for transformation. Erasmus (2018) has noted that the government has tried to make sure that tribes benefit from transformation from within their demarcated areas that are their traditional homes but this has been done without actually making clear tribal lines or fostering tribal interest isolated from the national agenda (Ervine 2018).

Dustin (2018) notes that in the first place, the compromise reached during independence negotiations included tribal leaders in government was driven more by the imperatives of managing the risk of revolt rather than the proper definition of their roles. In the wake of transformation discourse, those arguing the weight of the role of traditional leaders or calling for them to take a secondary role risk South Africa fragmenting into tribal and ethnic conflict again (Woodcork 2018). Therefore, the government has been very tactical in terms how they have handled the

Chiefs and making sure they are well respect yet at the same time sticking to the wider agenda of a non-tribal transformation policy.

2.5.3 Government Strategies for the Transformation of the Construction Industry

The government and its partners, as well as other local and international stakeholders in transformation, have noted a number of factors that are to be addressed in 2018 – 2025 towards attaining transformational targets (Rogers 2017). The areas considered for discussion and analysis are perceived as essential if the success of the transformational efforts are to attain the desired levels within the prescribed time frames. Whilst not in any way exhaustive, the list summarises the key elements that need to be closely monitored for progress to take place (Trent 2017).

It is evident that transformation is too big a task for government to handle or tackle on its own and there is a lot of work for all stakeholders to do, with the guidance of government, to ensure that transformation becomes a reality in South Africa (Trent 2017). It is therefore important to view transformation as a national project rather than a govern projects because then helps all South Africans realise and locate the role that they need to play towards transformation (Rogers 2017).

2.5.4 Macro-economic environment

Firstly, Macroeconomic business conditions are essential to the success of transformation efforts in the construction industry. Dustin (2018) noted that the macroeconomic policies and environment affect all businesses and must be considered carefully if we are to realise sector specific growth or in any case, to analyse effectively why certain sectors are performing the way they do. Global construction trends are important if we are to closely look at the local environment which also affects transformation (Trent 2017). According to Global Construction (2018) whilst the middle east remains the area with the biggest construction investment for the last two decades, Africa has also seen a significant increase in total money spent on construction projects with a yearly increase of over 5 billion United States dollars every year for the last 5 years (to 2018) (Alisson 2018).

The global trends above help to explain the significant growth in construction investment as well as construction projects in South Africa during the last decade (Alisson 2017). The investment in construction as a more solid and long-term investment and value retainment shows a strong vote of confidence for South Africa as an investment destination of note (Rush 2017). More so, this has meant significant construction work is available for Black owned companies the pie is getting bigger and there is more work for everyone involved in the sector (Alisson 2018). Furthermore, Rush (2018) reckons that it has become better for individuals and companies to obtain building or construction loans in South Africa in the last decade as banks have also started to approve of construction as solid source of income and value retention and this has been also helped by the good performance of companies in South Africa overall that allows banks to lend money (Alisson 2018).

Rush (2018) noted with concern, however, that the existence of sound macro-economic environment should be looked at closely in relation to transformation as it might be slightly misleading than previously thought (Alisson 2018). For instance, it is still very difficult for Black owned companies and business to access bank loans as they generally do not have collateral or any other companies to back their loan applications (Rush 2018). The positive macro-economic environment has not necessarily been positive for black players in the construction sector who have had to mainly benefit from government-based interventions within the sector. Bright (2018) notes that most Black businesses have been successful as a result of BEE compliance by larger White owned companies that sub contract them or where government has directly preferred Black businesses to undertake construction projects. This problem is not only construction sector but in all aspects of industry and the good macro-economic environment has not itself helped transformation efforts to a significant extent (Cheve 2018).

2.5.5 Black Access to Work in the Sector

A really important and fundamental aspect of transformation has to do with Black owned companies getting access to construction work and construction resources within the sector itself (Bright 2018). Without improved Black access to important and key aspects of the industry, it is very difficult for them to make meaningful penetration that is required for them to gain a strong foothold in line with the Country's transformation efforts (Cheve 2018). Access involves not only getting jobs and contracts, it also involves being part of all-important institutions of the sector that promote Black business interests in relation to those of other groups and also collectively (with other groups) (Trent 2017).

Trent (2017) notes that the talk of access is usually limited to just getting lucrative contracts and ignores Black efforts to participate in other aspects of the industry such as manufacturing of raw materials, retail of construction materials and administrative support for big projects (Bright 2018). Transformation efforts have been limited to one aspect of a very broad sector that has many other facets which are as equally lucrative as the actual construction itself and this obsession with just the construction itself has ignored Black entrepreneurs who want to be involved in construction in other ways or means (Rush 2018).

Rogers (2017) notes that government could do more to increase Black penetration in the construction sector support industry by also closely monitoring trends in that particular area which has this far remained the exclusive domain of traditional White companies. There is need for awareness and training of Black individuals in this respect to raise awareness and also capacity building to equip Black companies with the necessary knowledge to successfully penetrate the sector without bringing down standards already in place (Mtombeni 2018). Cheve (2018) notes that lessons from the past should enable government to realise that not fully equipping Black companies before giving them contracts to do certain jobs sets them up for failure and derails the transformation process” by creating investor doubt and reinforcing stereotypes of Black incompetence (Dustin 2018).

Despite there being “so much work that needs to be done, Black access has increased in the sector by 15% in the last 5 years and though this is very low when compared to other sectors it shows that a lot of good work has been done by various stakeholders to increase the participation of Black business (Bright 2018). Sechaba (2017) also notes the increase in workshops which are transformation and access related in the last 2 years and how they have had a positive impact in sharing information and ideas with not just Black entrepreneurs, but all stakeholders involved in the sector.

2.5.6 Business Factors

Whilst it is important to enhance the access of Black businesses, it is also fundamental to support Black businesses by building their capacity to do business. Enhancing the capabilities of Black businesses to carry out or perform tasks and become competitive is one of the priorities of government in its bid to transform the construction sector and all sectors of the economy (Woodcork 2018). Capacity building does not just entail the availing of financial and economic resources to Black people, it also encompasses the training, grooming and monitoring of Black companies with the deliberate aim of helping them get a foothold in the industry and also improve their skills base as well as the quality of outputs (Erasmus 2018).

Government has embarked on a lot of capacity building initiatives for Black players in the construction sector which has seen them enhance their capacity and capabilities. These have been largely through workshops which are tailor made for Black business with the aim of improving their knowledge, awareness and financing of projects (Erasmus 2018). However, these initiatives, as (source) explains, are generally attended by well-organized Black entrepreneurs who have access to information and resources that enable to attend such workshops and events (Rush 2018). It is therefore imperative for the state to ensure that it is reaching all players in the sector, particularly those who are not registered and not in formal data bases and might have problems accrediting just to attend such beneficial workshops that teach them the value of systems and rules (Woodcork 2018).

Training black people on industry specific laws, rules and regulations is not enough, they also need to be well versed with products and how to use the available resources to their advantage if they are going to be efficient and government needs to do more in this regard as this will help improve the quality of outputs in the industry as a whole (Moyo 2018). The monitoring of progress and quality of work of those Black companies already in the system and getting support is very important for government to be able to measure progress within the sector (Woodcork 2018). Moyo (2018) reckons those already received training and aid provide case studies of how Black companies are doing because they give practical examples of what is working and what needs to be changed or addressed and this is essential for the growth of the industry and the success of transformation. Government needs to do more to monitor not only the progress of Black companies but the changes in trends within the sector as a whole as this helps them to efficiently plan and help the sector to grow (Lekwati 2018).

There has been a remarkable increase in literature on the involvement, or lack of, of Black people in the economy since BEE was enacted and this has really helped stakeholders understand the dynamics at hand when dealing with transforming strategy (Sechaba 2017). Whilst determining the quality or accuracy of information is always a challenge, its abundant availability is good for all stake holders so that they can look at the realities that they need to deal with if they are to reach BEE goals of transforming the sector (Nortjie 2018). More important, as Brian (2018) noted, has been the increase in Afrocentric literature which was

suppressed and missing from main stream thought for a really long time (Sechaba 2018). This has helped tell Black stories from Black perspectives which helps to put Black circumstances into real context (Nortjie 2018).

2.5.7 Good Governance and Commitment

In order for efficient transformation to take place, it has to be associated with the highest standards of corporate governance for all involved in the construction sector. Corporate governance has to start from within an entity and then relate to others in the same space collectively and this is very important for the sector (Brian 2018). Trent 2017) notes that Black companies coming into manifold construction have to quickly adapt to the standards and norms of operating in the sector if they are to blend in seamlessly. Needless to say, it is also important for the culture and corporate standards to change as they accommodate Black businesses in significant numbers in a short space of time as demanded by transformation legislation (Rush 2018).

Moyo (2018) notes that an effective transformation strategy must encourage and promote transparency and good governance in construction works and all other aspects of business to guarantee success of transformation. The government must enforce and support standard rules that everyone involved should adhere to and maintain to retain respectability and investor confidence in the sector (Rush 2018). Moyo (2018) notes that the government should address, as a matter of urgency, the wide spread allegations that small to medium Black companies in the industry are notorious for cutting costs of inputs to retain more money thereby compromising the quality of outputs. Standardisation is essential in the industry and Black companies should be encouraged and equipped to guarantee quality of work carried out and it is government's role, together with other stakeholders, to control and guarantee quality of outputs if transformation is to be successful (Rush 2018).

Addressing transformation is not the responsibility of the government alone and should include all stakeholders affected by it at various levels. Ervine (2018) suggested that it is the responsibility of all involved in construction sector to make sure that transformation is a success and every entity should understand the role that they have to play. It is imperative for the

established construction industry to change from within as only this will create lasting and meaningful transformation (Rush 2018). Therefore, in adherence with transformation policies, it is up to the traditional players in the sector to shore up and build up Black companies so that they became effective and efficient entities so that standards are not compromised and the integration of Black companies into mainstream construction is smooth (Ervine 2018).

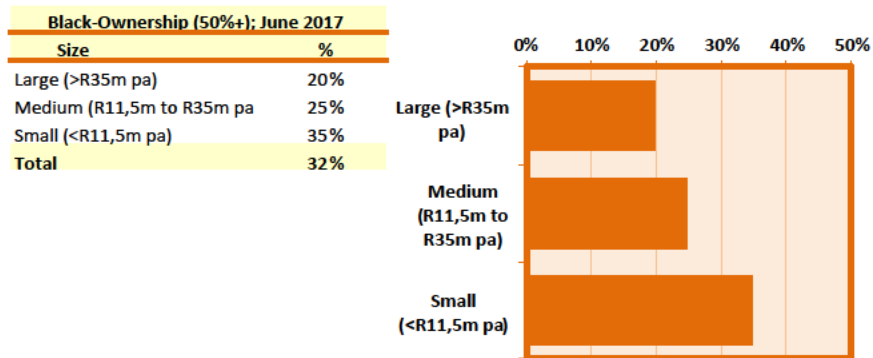
Given transformation is now embedded in the constitution of South Africa, it is only sensible for traditional players to accelerate the process by the deliberate grooming of upcoming Black companies so as to establish good working relations and also thereby guaranteeing standards are not affected by the integration (Dustin 2018). BEE laws have ensured that White owned companies have to work with, or at least sub contract, some Black companies for them to meet law requirements and this is motivation enough for the White companies to make sure that they establish good working relations with the unavoidable Black partners (Nortjie 2018). The government's role, as Dustin (2018) puts it across, remains to monitor and help the process along in order to achieve its constitutional mandate of guaranteeing transformation.

2.5.8 Black-Ownership

An assessment of data that was independently gathered by CESA membership showed that by end of June 2017, the total number of Black ownership (or stake) exceeding the 50% threshold, in registered companies has significantly increased from 15% to 32% since December 2015 (Sechaba 2017)". This shows an upward trend in Black ownership and stake in construction companies and this also shows progress that has been made.

The below table shows the trends in ownership against the amount of money or income being generated by Black controlled companies:

Table 1



Source: CESA Membership Database, www.cesa.co.za, June 2017

The above table shows that whilst the general ownership of companies by “Black people has increased, the detail is in the figures of money that is involved with the companies. Small companies who handle up to R11m per annum have a significant Black ownership that is 34% which shows the growth of small Black companies has been constant and significant in terms of market share and profits made. Medium sized companies which handle between R11,5m and R35m have a 24% Black ownership. This figure also shows the growth of Black owned companies as they start to participate in larger projects, and this can be attributed to them having built the necessary capacity to handle such work (Nortjie 2018). Large companies, that handle business worth over R35m a year have a significantly low Black ownership of 19%. This shows that Black companies are still not controlling the big projects that bring in most money and this can be attributed to lack of technical and financial capacity to carry out such projects and as Woodcork (2018) goes on to suggest, it can be an indication of continued exclusion from the real

big money deals by the traditional companies and their associates. It is also important to note that the statistics show only companies that are properly registered and with an estimated 200 000 Black owned operators still not properly registered, the figured could be significantly higher than represented here (Dustin 2018).

From the table above, it is very clear that Black ownership, or controlling stake, decreases with the nature and figures involved in the transactions with transactions with the most money having the least Black ownership. Erasmus (2018) notes with concern that the information might be misleading because there is a significant number of Black owned companies that are actually owned by White investors with the Black individuals only fronting the operations, yet they do not retain much of the profits that are made from the business. This makes it very hard to track actual progress made towards transformation. Cheve (2018) goes on to suggest that the fronting of White capital by Black individuals is a new and recent phenomenon that was created by transformation laws and should be studied seriously. It is very hard for government and other stake holders to track down such practices and in any case, they help to shore up good numbers which make transformation statistics looks appealing to the public (Erasmus 2018).

It should also be noted that the percentage of White ownership has also declined significantly over the past few years. Brian (2018) notes the number of South Africans of Indian descent and those classified as color reds who are not necessarily Black has increased sharply over the past decade. Therefore, the percentage of Black ownership should also take into account that transformation has also opened up avenues for individuals who might not be considered native Africans but are very much South African and this has played a huge role in diversifying the sector (Ervine 2018). There has also been an increase in the number of non-South Africans working in the sector. International companies from countries like China have managed to get significant work in South Africa and they have also partnered many domestic companies in their jobs and these dynamics make it very hard to place statistics into proper context and understand what they mean for transformation efforts (Mtombeni 2018).

2.5.9 Black Management Control

Though Black ownership is important, it is also equally important to factor in Black management control of the big companies in the construction sector. Rush (2018) notes that 40% of the biggest companies in the construction sector are public listed companies with complex and varied share structures. Whilst it is up to board members to drive policy, executives play a huge role in terms of the direction and performance that an entity takes and this makes management control an important aspect of transformation (Lekwati 2018). The number of Black executives has increased sharply over the last decade and this has helped to get more Black people involved in different capacities and levels. Trent (2017) notes that the Black executive still faces legitimacy challenges in his role as the head of operations at a firm because of his background and stereotyping which has not yet died down.

Trent (2017) noted that between 2000 and 2016, 80% of firms appointing a Black executive lost significant share value on the Johannesburg stock exchange based only on the announcement of appointment of a Black Chief Executive officer (CEO) and this shows that confidence in Black leaders is not yet high or significant. It is also understandable why Black CEOs are not necessarily favorites in the sector given Black people were previously marginalized for a long time and they therefore do not have the necessary experience to run firms of the magnitude in question (Nortjie 2018). Ervine (2018) argues that at the heart of the conversation on Black CEOs is the issue of mentorship. CEOs are groomed over a period of time by other CEOs who serve as mentors and these mentors also give advice to their proteges even after they become CEOs. Lekwati (2018) notes that with no form of mentorship taking place, it is very difficult for Black individuals to actually get it right in management. The absence or lack of significant number of Black CEOs leaves little room for the grooming of upcoming younger executives who then lack the wisdom and experience of a mentor on their side (Sechaba 2017).

More so, the requirements of BEE have also forced most companies to rethink and restructure their management structures as they are required by law to transform and give more Black people important decision-making roles within their organisations (Alisson 2018). This has led to the increased presence of Black board members for companies who a few years ago did not have

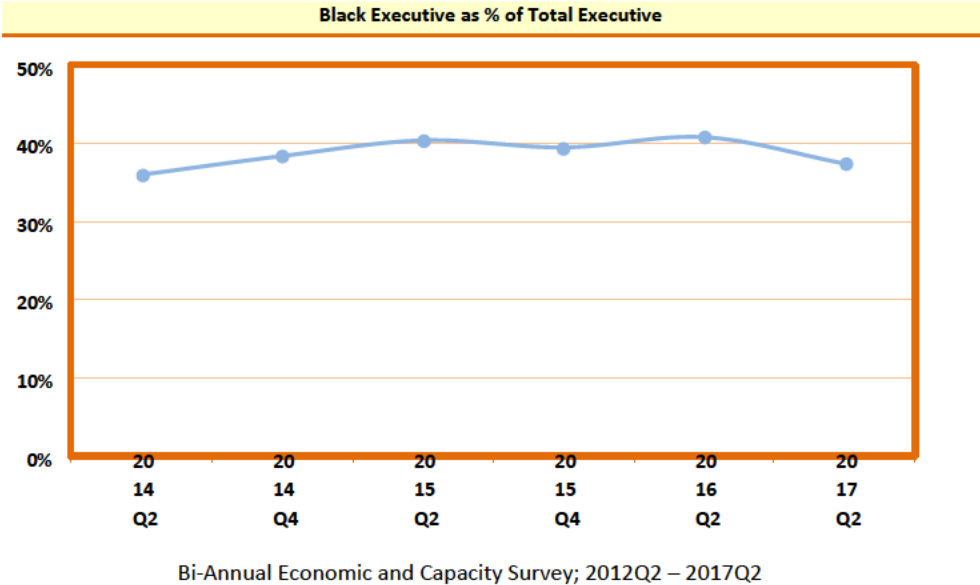
a single Black person in mid management positions (Kuseni 2017). Sharma (2017) estimates that Black people presence on important boards in the sector is on average 15% representation which is very encouraging and quite significant. However, as Kuseni (2017) notes, the figures of Black board directors are barely significant for them to be able to make any form of meaningful contribution to important discussions and this is very worrying. In any case, most Black board members do not have any stake in the company itself so they are merely there to make up numbers and show commitment to transformation obligations and in reality, they really do not have a say in anything important (Sharma 2018).

Kuseni (2017) noted that since independence there has been an increase in the number of non-White South Africans taking up trades and professions that are construction sector related and this can help explain the increase in the presence of Black professionals in the construction sector. These Black professionals who are mostly well travelled and experienced are better qualified when compared to upcoming Black South African professionals and this makes them highly attractive for companies wanting to hire Black executives (Sharma 2018)". Bright (2018) notes that "both independence and transformation laws have opened Black South Africans to serious competition from other Black professionals from all over Africa and this has reduced the opportunities for Black South Africans. More importantly, Sharma (2017\8) notes that a survey conducted in 2017 revealed that 68% percent of construction sector executives (of all races) interviewed admitted that they would rather hire Black foreign labor than Black South African labor due to experience and ethic related issues.

Not only that there was segregation in the work place that did not enable most Black individuals to excel and rise to management positions, there was a serious lack of knowledge and career guidance amongst black people who did not understand much about the construction industry apart from manual labor and the engineers that would direct operations (Sharma 2018). Therefore, transformation of management control in South Africa can be traced back to the attainment of independence itself as it assured that Black people could be finally treated as equals and therefore get equal opportunities at management jobs (Kuseni 2017)".

Table below shows the number of Black executives against the number of all executives

Table 2.2



The above “data representation obtained from the CESA membership (as of end of June 2017) shows that the number of Black executives has increased from 30% in 2014 to 37% in 2017. This is very good progress that has been made in increasing the number of Black executives overall and should be viewed as positive towards the transformation of the industry as a whole. The increase shows the steady growth of Black executive influence in the sector which is encouraging and testament to the fact that companies are trying to comply with transformation laws and regulations (Lekwati 2018).

However, considering that in 3 years there has been only a 7% increase or gain in terms of the numbers of Black executives also indicates that transformation has been very slow. The reasons

for transformation being slow can be varied and hard to understand. Commons (2017) notes that the above results actually show a drop of 4% when it comes to growth rate and the drop is not an encouraging sign after making initial headway in the drive towards transformation. The drop can be explained by the fact that all qualified Black professionals in the industry who can assume or hold such offices have all been absorbed in the system and are already executives and the lack of growth might be reflective of the lack of Black human capital with regards to the positions under discussion (Lekwati 2018).

As much as the upward trend represented by the graph is positive, it should be viewed in relation to the demographic dynamics of South Africa as a whole for it be meaningful to the transformation discourse. Rush (2018) notes that Statistics South Africa's 2017 midyear population estimates puts the number of Black people at 79,2% of the total population. Given this very high percentage of Black people in South Africa, the graph shows very little progress and justifies the existence of transformation law which seeks to redress the glaring imbalance when it comes to opportunities and professional representation of various groups in the economy (Dewege 2018). When demographics are considered, the trend reported by CESA shows that transformation of the sector and the economy in general have a long way to go and more work still needs to be put in to realise or achieve transformation (Commons 2017).

Alternatively, the slow or reduced growth rate of number of Black executives can be seen to represent the increase in non-Black executives as well in the industry. Mtombeni (2018) notes that it was not only Black people who were previously marginalised and it was all other social groups that were nonwhite, or of European descent, and therefore all these other groups have also made significant progress in economic and professional circles which is also very positive. In the first place, South Africa, being a rainbow nation, has varied and mixed races to the point where classification of people is itself a major issue that is currently causing transformation headaches because there is no clear distinction between individuals at times (Woodcork 2018).

2.5.10 Employment Equity

Another key element to the transformation of the sector has to do with overall employment equity. Whilst it is important to look at how organisations in the sector are being run from a policy level, as indicated earlier, it is very important to look at actual composition of workers in the main stream sector (Rogers 2017). This gives us a clear indication of where transformation finds itself within the industry and can help all stakeholders to understand the challenges they are faced with and to also look at what has worked so far (Lekwati 2018).

As highlighted before, employment equity is a key government concern in South Africa because of the historical segregation of racial groups based on color during previous regimes and as Commons (2017) suggests, it is not an easy undertaking. Sechaba (2017) opines that in the last decade there has been a surge in the number of Black graduates from South African universities thus increasing the number of qualified Black people who can do specific or specialized jobs within the construction sector. The development of Black people has been seen as a crucial step towards the successful transformation of the sector. Commons (2017) notes that it is not feasible or practical to complain about the lack of Black technocrats in the sector if there are no qualified Black people on the sidelines. Therefore, it has been important to make sure that more Black individuals are actually qualified to take up certain roles within the sector.

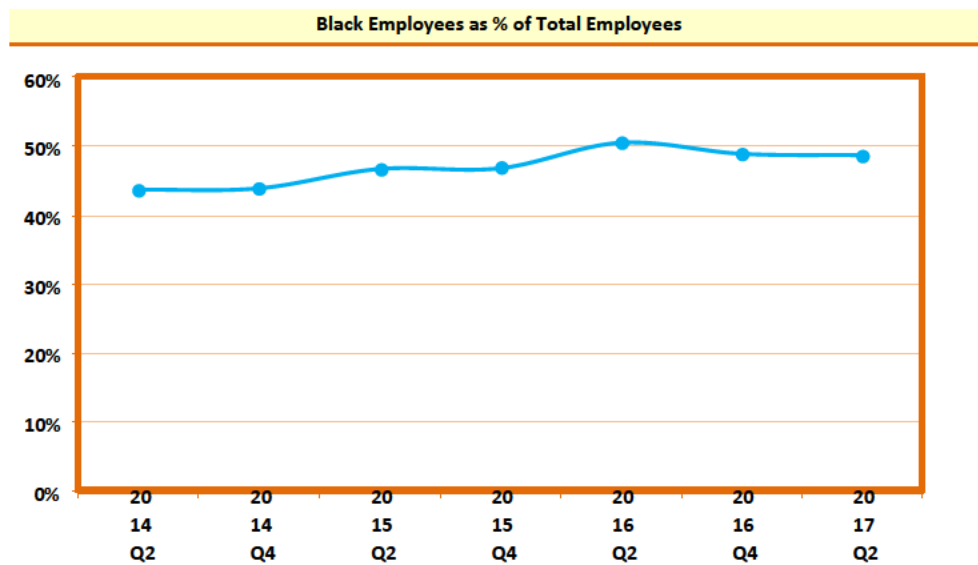
South Africa has a very broad and diverse economy which makes most sectors of the economy intertwined at a deep and complex level (Erasmus 2018). There are some services rendered to the sector which might not necessarily be construction based or specific but have significant bearing on the outputs of the sector. These, as Alisson (2018) explains, are sometimes hard to place when dealing with matters of employment equity within a specific sector and may go down to standard measures employed or what the end result of a specific study are. Nortjie (2018) noted that these are some of the sector specific challenges that those responsible for transformation might find themselves battling with.

Nevertheless, BEEE policies in South Africa outline the ideal composition of the workforce for companies and they give guidelines as to how approach transformation (Woodcork 2018)".

BEEE “has clear guidelines in terms of the recommended number of Black people in management and the total workforce in general and these are important towards transformation. Cheve (2018) notes that the capacity of government to enforce or monitor such trends has greatly improved and companies are compelled to avail such information every year to relevant authorities which also makes it easier for the authorities to keep track of transformation trends within the country”.

Table showing the total number of Black employees against the total number of those employed in the sector

Table 2.3



Source: CESA Bi-Annual Economic and Capacity Survey; 2014Q2 – 2017Q2

The table above shows an assessment of employment equity obtained by CESA as of end of June 2017. The report indicates that “the total number of Black employees in all registered construction companies has increases from 44% in 2012 to 49% in 2017. This shows a very slow growth rate of around 1% a year. Ervine (2018) notes that transformation has not happened at a desirable pace in the industry and that is a serious cause for concern.

Rogers (2017) noted that there is still a reluctance to hire more Black people within the sector as most companies are still skeptical about the quality of work that Black people might actually produce as they have not previously had many Black employees in significant roles in their companies. In the first place, this trend could just show a reluctance in implementing the transformation laws themselves by established companies that are powerful and have political and economic clout (Kuseni 2017). Rogers (2017) noted with concern allegations of resistance to transformation by some companies with the construction sector and this could also help explain the very slow growth rate.

Rogers (2017) reported that it was also important to notice that there were not many Black people who were skilled to work in some of the sections of the sector and there were simply no Black people applying for certain openings. This left companies with no choice than to simply choose from the talent pool that was available to them which was non-Black. Programs like architecture are very expensive and this has tended to discourage many Black people from taking them on and this then seems to leave them to those who can afford them (Alisson 2018). This also helps to explain why certain or specific professions within the sector are seemingly still controlled by exclusive groups.

Rogers (2017) observed that government has significantly funded Black education particularly in specialist areas that have been historically White domain but with so many people needing help and there being many other projects that need government funding, it is important to get the sector involved in funding the education of Black people. Trent (2017) suggested that there seems to be a reluctance by companies in the sector to invest in young Black talent to deliberately increase the number of Black employees. Such undertakings are very expensive and might not be seen as corporate responsibility when placed against programs that seem to benefit the public and those bring more glory and recognition (Commons 2017).

The criticism levied against major companies in South Africa in general for no longer investing in training of workforce is a bit too harsh. (Commons 2017) insists that the global recession that lasted a decade that the world is emerging from did a lot of damage because it took away resources that were previously used to invest in the training of young people. Dustin (2018)

opined that when businesses implement austerity measures to stay afloat, programs such as training are the first to go and this is because they have no bearing on the results and survival of institutions. Where internships have been offered in the industry, they are often unpaid or the remuneration barely covers living expenses which offers those from not so good economic background little option but to forego the internships and this is where young Black graduates get left behind (Commons 2017).

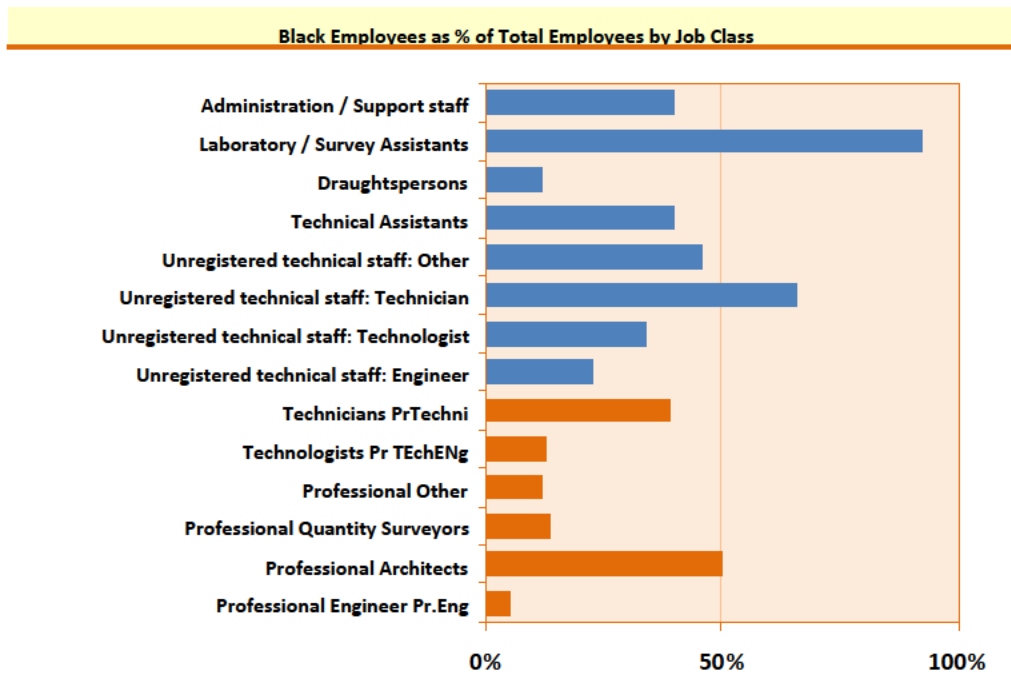
As explained before, with the recent global economic crisis, companies have down sized and the construction sector has had to do the same. Rogers (2017) notes that another contentious issue is that qualified Black individuals do not have the experience needed or required for certain posts and with companies having downsized there is no room or space to be training individuals as that would strain already lean teams. The flexibility of companies has been greatly reduced by the world economic trends and this has been an unforeseen yet strong factor when it comes to transformation in South Africa.

The lack of significant growth or increase in the number of Black employees over the past 5 years can be attributed strongly to the economy in general. Samawira (2018) notes that part of the reason why the number of Black employees has not increased meaningfully has to do with the fact that there have not been too many new openings within the sector over the last few years. A major reason could be that the growth or demand in construction has been steady but not increased significantly to warrant the hiring of new staff and therefore companies have simply retained the staff they have had over a long period of time (Commons 2017). Though it would be desirable to hire more Black employees there is little room to accommodate them and still make profit or business sense (Samawira 2018).

Business trends have changed significantly in the last decade and this could also explain the lack of significant growth in the construction industry. Samawira (2018) also notes that most companies now are outsourcing most services to avoid the challenges that come with hiring people permanently. Outsourcing often means a company does not have to take care of benefits, allowances, medical cover and retrenchment packages in case of business sowing down and with

the way global markets are volatile it is the way to go (Commons 2017). This change in how companies approach business to try and maximise profits has affected traditional company structures thereby affecting employment negatively”.

Table 4 the number of Black employees according to job class



Source: CESA Bi-Annual Economic and Capacity Survey; 2013Q2 – 2017Q2

The table above “shows the figures of Black employees in terms of actual job representation by profession. The figures for Black employees are reasonably high especially in supporting staff and other unspecified jobs that are not technical or very professional. The graph shows that there is significant representation of Black people in the construction industry which is very encouraging for transformation purposes. Many Black people also work as unregistered professional meaning they are yet to be certified by standards and quality boards within the industry or they simply have not put in the required hours yet for them to be certified as professionals (Samawira 2018).

There have been accusations of Black individuals being deliberately sabotaged in universities to reduce or minimize the number of Black graduates entering mainstream construction professions (source). To begin with, most of the teaching staff within university departments that offer

specialized courses are White and this does not help to quell the allegations at all (Samawira 2018). Trent (2017) notes that a White professor working at a leading academic institution infamously remarked in 2015 that Black people are simply not as smart as White people when it came to certain professions and that should be taken into serious consideration before accusing anyone of failing them. The claims and theories of White people being better at certain tasks than Black people and vice versa based on genetics is a controversial issue that has been around for decades yet no one seems to have clear evidence of it (Moyo 2018).

Moyo (2018) notes that not only does one need to have worked for a certain number of hours (usually in thousands) for them to be certified as a professional, they also need to pay a sizeable amount of money in some instances. These two important hurdles are used to guarantee the quality and commitment for a professional but have the unintended effect of being a disadvantage to some who do not have the funds or experience required (Ervine 2017). This tends to affect more Black individuals than White individuals and this may help to explain the gap when it comes to the number of certified Black professionals (Brian 2018).

Ervine (2018) makes the argument that it would be interesting to actually get a specific number of how many of the 14% Black people figure are actually Black native South Africans. South Africa, as Africa's most versatile economy, has always had huge numbers of professional and semiprofessional laborers from the region and rest of Africa immigrating in numbers (Sechaba 2017). The number of Black professionals indicated on the report might also show a huge presence of migrant Black professionals and not those native to South Africa. This is one of the dynamics of transformation that is interesting and is worth studying (Lekwati 2017).

Mtombeni (2018) suggested that there is a general belief in the business community that Black South Africans are often lazy and do not have solid work ethics. This belief has resulted in most companies opting to hiring Black people who are not originally South African but have work permits, permanent residency and citizenship in South Africa. Whilst such stereotyping is nowhere near academic, Nortjie (2018) notes that the work ethics and social values of most Black communities in South Africa have been pointed out as a weakness by anthropologists and this is not desirable for the corporate world. Commenting on the same issue, Woodcork (2018)

suggested that when he was CEO in construction, it was common knowledge that 80% of Black South African laborers would not show up for work the next several days thereby slowing down efforts to finish jobs on time”. Such issues have made Black workers less desirable in a target and time sensitive industry like construction.

2.6 The state of Black Entrepreneurship in the construction industry

2.6.1 Statistics on Black Participation

Information “from the South African Federation of Civil Engineering Contractors (SAFCEC, 2004) confirms that the majority of South Africa’s SME Construction companies are Black owned and operated. This shows a deliberate drive towards increasing participation in the sector by Black individuals who realise how lucrative the sector is. Study by Statistics SA (2013), point out the fact that SME’s in the industry generated a combined share of 36% of the Construction Industry’s total income in the year 2011. Whilst this may seem like very good performance it should be understood in the context that Black owned companies outnumber those controlled by all the other races at a rate of 10 is to 1 in the industry, yet this in no way discredits the strides that have been made (Monday 2016).

The CIDB (Construction Industry Development Board, (CIDB, 2010) affirms that many of these Black owned construction companies are concentrated at the lower end of the CIDB database of contractors. The upper grades, 8, 9, are fewer (predominantly) white contractors. These statistics show, evidence, and need for intervention to accelerate Black owned construction companies to climb the ladder of the CIDB grading and attain higher grades. This can be achieved through a systematic Black entrepreneurship development programme.

The risk of business failure is present across industries, but more prevalent in Construction Companies, because of excessive competition and availability of projects in the sector (Wong and Thomas 2010). Thwala and Phaladi (2009) argue that government’s attempt to promote Black entrepreneurship development, in the Construction industry has resulted in thousands of

smaller companies being formed in the sector. This has meant that many entrepreneurs who enter the sector are inexperienced and are bound to face financial; managerial and technical constraints (CIDB, 2012). The 70 – 80% failure rate of small & medium businesses in construction is thus not surprising as stated by Adenirian and Johnston, 2011.

Most Black companies in the construction sector are not professionally managed and lack proper planning, resources and organization needed to succeed in the highly competitive sector(source). These small to medium sized companies have in many instances failed, and not achieved sustainable growth, with a failure rate of 75%, which is amongst the highest in the world (Fatoki, 2016). This staggering figure of failure shows that construction has not been a good success story for Black business.

Black businesses often lack human and financial resources that are needed to succeed in the industry. Denver (2017) notes that lack of knowledge on latest safety and health trends as well how to manage labor more efficiently are just some of the few issues that Black owned business seems to be struggling with at present and need to be urgently addressed to changed fortunes of Black companies.

2.6.2 Small enterprises in the Construction Industry

To regulate the Construction Industry, in South Africa, the Government has established the Construction Industry Development Board (CIDB) by an act of Parliament (Act 38 of 2000), in October 2000 (Drinkwater 2018). The CIDB is therefore a statutory body which aims to drive South Africa's integrated development strategy, by regulating and managing the Industry (Law 2018). It is mandatory for Contractors to be registered with the CIDB, should they intend to engage in public sector contracts, however it is not enforced on firms engaging work in the private sector. This registration allows contractors to be graded according to their experience and financial capability. They are only allowed to contract on projects in their respective categories and therefore reduces the risk of non-performance among constructors (CIDB 2008).

The Construction Industry is made up of many disciplines. The CIDB register classifies contractors into the Construction discipline in which they specialize i.e. Civil Engineering, general building, electrical engineering, mechanical engineering and specialist work (CIDB 2007). Contractors are further graded according to their highest turnover achieved and capital

available to determine their CIDB grade. The grades range from 1-9 whereby a grading of 1 allows a contractor to tender and undertake work up to the value of R200 000 whereas on the other end of the scale, a grade 9 contractor has no limitations (Drinkwater 2018)".

Table 2.5 below details the grading level of contractors registered on the CIDB database and the value of contracts they are limited to.

Contractor Grading Designation	Contract value less than or equal to: R
1	200 000
2	650 000
3	2 000 000
4	4 000 000
5	6 500 000
6	13 000 000
7	40 000 000
8	130 000 000
9	No Limit

Source: Adapted from Government Gazette No. 8986, 2008

2.6.3 Performance of Black Owned companies in the sector

The “increase in Black participation and visibility has not necessarily meant success of Black owned companies and this is a point that many scholars deliberately do not take into consideration (Coutrech 2015). Despite the gains and visibility of Black companies in the industry, it remains a very White industry as the traditional White companies still control much of the business and get most of the big lucrative contracts (Migiro 2008). Therefore, Black participation is yet to match that of the traditional established companies. Coutrech (2015) argues that Black companies in the industry have not had much experience to show yet this is important when companies are vetted for tender purposes. Therefore, without experience it is very difficult for Black companies to get jobs.

The lack of mentorship for most Black business people in the construction industry does not come from them not seeking guidance but from a lack of Black players who have been in the

industry for while (Richard 2018). Most Black construction companies are actually pioneer Black entrepreneurs, and this is the reason why they do not have many people that could give counsel and advise to them (Pollock 2018). It is not easy to expect that the traditional players in the industry give advice to upcoming companies who are being positioned to take up a chunk of their business and this is why the expectation that established business will help the emerging Black businesses is serious flawed (Richard 2018).

There have been allegations, which remain unfounded, that some traditional players in the industry are deliberately frustrating and sabotaging the new Black players in the construction sector (Klaaren 2019). The standards and tender processes are often vague and left to interpretation and this has been a loophole used to deliberately frustrate and disqualify Black companies where they qualify to actually compete for certain jobs (Coninck 2018). In any case, Companies and individuals sourcing construction of any kind retain the right to choose who they want to carryout the work and this leaves Black companies often stranded and dependent on government and local government contracts (Reddy 2017). Coninck (2018) noted that most of the big construction jobs on the private market are conducted by White companies who normally have ties to those wanting construction work to be carried and most Black companies will not look to undertake major construction projects. Klaaren (2018) noted, interestingly, that even when Black companies or individuals do source major construction work, they still choose traditionally owned and controlled White companies because of their reputation and they have a mistrust in the capabilities of Black owned companies.

Black entrepreneurs in the construction industry of South Africa have been often accused of treating their businesses as short time ventures rather than going concerns and this seemingly lack of clear long-term plans and goals affects their competitiveness (Chunga 2018). The reluctance to invest in proper offices, equipment and full-time employees by some of the Black owned companies suggests that they are geared towards just making quick money now and are not interested in the long-term development of their businesses in the sector (Daisy 2018). Chunga (2018) argues that this is a common trend in most sectors that have new opportunities and should not be perceived to be the standard of all Black entrepreneurs within the industry.

Not many Black companies have come together to form syndicates or make joint bids for big jobs. Matthee (2016) notes that many Black entrepreneurs in construction are yet to realise that

they have strength in numbers and this has stunted slowed down their growth. Due to issues around mistrust, lack of experience and naivety, Black entrepreneurs rarely submit joint bids for jobs (Khoza 2017). The lack of collective experience and knowledge also means that up coming businesses people in the sector cannot help each other due and this also discourages them from coming up with strategic partnerships that could help them to improve their performance (Chunga 2018).

Chunga (2018) noted that most formidable partnerships that have been formed by Black companies joining hands on projects have actually been initiated by the government and there is need to encourage more partnerships so that the position of Black people can improve in the industry. Most importantly, knowledge has to be disseminated and experiences shared amongst the Black business people in the sector if they are to realise any change at all in their fortunes (Daisy 2018).

Tribal issues amongst Black people in South Africa lead to a lot of mistrust and suspicion which tends to make individuals only want to relate or associate more with their own tribe and this is not good for business in the sector (Matthee 2016). In assessing the impact of tribalism in the industry, Chunga (2018) opines that it has taken over from racism and is a direct result of the years of oppression under White minority rule. The construction sector is also suffering from tribal differences and disputes that are currently affecting all of South Africa and until those issues are addressed it is impossible for Black people to actually work together and bring about an upturn in their influence and presence in the industry (Miles 2017). Therefore, with the limited resources at their disposal, it is at their advantage to come together but this has not been the case.

However, it must be noted that some Black companies, though few, have formed formidable partnerships and because of legislation, have successfully taken up large construction ventures (Matthee 2016). Other Black businesses have formed or created partnerships with White companies and this has resulted in their success. These companies get to learn so much from the experienced partners and they share the costs of construction which are very high. More importantly, as Fiet (2014) notes, they are not only getting good revenue, they are also building reputation for themselves and Black players in the industry in general.

In relation to the Construction sector, there is a growing interest in creating black owned companies through BEE initiatives (Murumentely and du Preez, 2010). Thus, a number of small to medium sized companies have been established, either by professionals or experienced Black employees who gained exposure from larger (mainly white owned) companies or by those blacks who have identified construction as a lucrative business (Thwala 2008). Therefore, government policy has been instrumental in the increase of Black companies involved in construction. Murumentely and Du Preez (2010) note that government policies and legislation meant to accelerate Black participation and redress socio-economic segregation have played a key role in making sure that Black people are encouraged to take up challenges in sectors such as construction that have traditionally been dominated by White companies.

The change in laws for all sectors of the economy to accelerate the participation of previously disadvantaged groups has forced the traditional players in the construction sector to warm up to and embrace Black companies (Richard 2018). The laws, being the supreme instruments for governance of the country, make it very clear that transformation is not optional and the consequences for those not complying or playing their role in the process can be severe (Anescu 2018). This has forced most companies to comply by working more with Black firms and also hiring more Black professionals to make sure they score favorably in the different listed criteria for transformation. This has paced Black people in a unique position where they are now actually sort after in the industry and this increases their chances of making it in the industry (Chunga 2018).

Furthermore, some White owned companies have actually helped to accelerate transformation by opting to partner with Black companies that are just coming up. (Anescu 2018) notes that the thinking is that if they are going to be forced to work together with these companies anyway to satisfy transformation laws then they might as well make sure that incorporating them will not then affect the standards of the work that is being carried out. Therefore, it has become important for White companies to train upcoming Black companies to meet sector standards

The increase of Black participants in the economy in general, according to Kennedy (2017), was inevitable after independence which changed a lot of laws and laid the foundation for equality in all aspects of life. The interest of Black people in construction has not only been limited to small scale businesses, there has also been an increase in Black professionals taking up university

programs that are construction related or at least with the view of getting involved in the construction industry in different capacities (Kennedy 2017).

2.6.4 Alleviation of poverty

Entrepreneurship development is widely accepted as a primary mechanism to address economic development in South Africa. Study shows that systematic development of entrepreneurs can positively impact business success and increase performance, growth and profitability (Khoza 2017). The alleviation of poverty in South Africa, and much of the third world, remains a priority of government which always has a political and constitutional mandate to make sure that the standards of living of its people are raised (Chege 2017).

At the core of this paradigm shift principle, is the age-old adage of teaching a man how to fish, instead of supplying him with fish. The trend thus far in traditional BEE transactions has been geared towards giving people instead of providing them resources and enabling them to do it themselves (Madi, 2016). As Dr Khoza puts it (Khoza 1997; p xiii), not enough attention is being paid to the planting of the acorns to grow the mighty oak trees of tomorrow. To think of oak trees is to think of wealth creation, to cultivate businesses that will survive at least 3 to 4 generations from today (Madi 2016).

In 2007, the United Nations reported that 78% of the population of South Africa was classified as Black, yet 70% of that population lived in poverty, which they described as earning less than 2 United States Dollars per day (Goodwin 2017). Drinkwater (2018) notes that it then became apparent that so much needed to change to uplift the lives of Black people as a matter of urgency. Therefore, Black Economic Empowerment has been viewed as a powerful tool in making sure that more Black people emerge from poverty and earn a decent living (Polaski 2017). The deliberate acceleration of Black participation in all industries has helped to improve the lives of Black people (Gerber 2012).

There are over 5 000 companies registered across South Africa every month with the majority belonging to Black entrepreneurs (source). This rise in legally registered entities shows that Black people have now started to realise the value of establishing companies that can strive to compete on the market. Economic opportunities have helped Black people to earn substantial

living. Bolton and Lane (2017) noted that Black entrepreneurs in the construction sector of eThekweni Municipality alone employed more than 7 000 Black individuals by end of 2016. This shows great strides by Black businesses in the construction sector towards alleviating poverty.

The Global Entrepreneurship Monitor study (GEM, 2008), argues that the South African entrepreneur operates in a very unique environment in that, there are more factors that are negative for entrepreneurship than those that are positive. This further speaks to the need for Entrepreneurship development. Gerber (2012) notes that the construction industry in South Africa generally employs hundreds of thousands of Black employees mainly in low paying jobs but the industry has been robust and strong for a long time in alleviating poverty in the country (Cole 2015).

The decline of black enterprise is further amplified in the following table, which originates from Statistics SA”. It indicates that the number of individuals who have been trading for their own account has declined over the year since 2008.

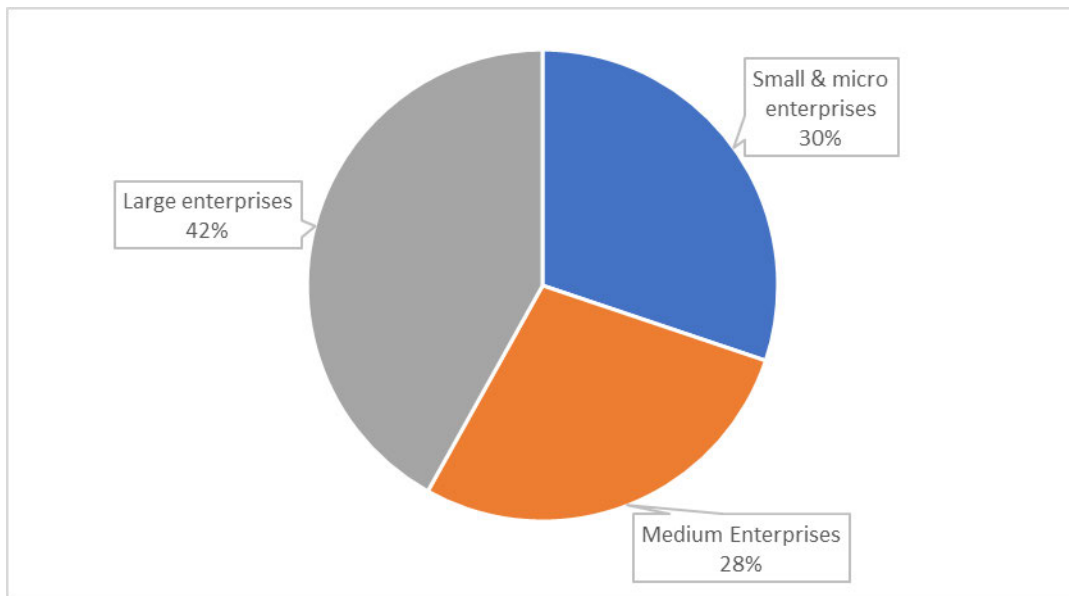
Table 2.5: Employment statistics 2008 – 2014

Employment Status	Q4 2008	Q4 2009	Q4 2010	Q4 2011	Q4 2012	Q4 2013	Q2 2014
Employee	12 456	11 836	11 693	12 187	12 313	13 036	12 996
Employer	850	728	791	741	745	780	796
Own-account worker	1344	1267	1310	1302	1381	1256	1235
Unpaid household member	119	122	104	107	86	104	67
Total	14769	13973	11898	14336	14524	15177	15094

Source: Human Capital Labour Reports: South Africa, 2015

According to the CIDB (2016), “there are approximately, 14 300 construction companies registered on the CIDB database with an estimated 76% being Black owned. The fact that Black people, who are the majority of the country’s population, have started to register and formalize their once informal operations, is a sign that progress is being made to make sure that they have a chance to compete for jobs in the sector (Sorensen 2015).

Information from the South African Federation of Civil Engineering (SAFCEC), 2014, also commented that the majority of South Africa’s SMME construction companies are black owned and operated which is in line with government policies”. Study by Statistics SA (2013), highlights that SME’s within the Construction Industry has generated a combined share of 36% in the year 2011, as shown in the figure 2.3 below.



Source: adapted from STATS SA, 2011.

2.7 Black African Women in South African Construction Sector

Statistical data “reveals that Black African women are underrepresented in the South African labor force and make up one third of the labor force thereby having higher rates of unemployment (Mathew-Hellm 2011). Unemployment in 2008 was highest among African (Black Woman at 31.3%, and 8 times higher than that of Black Men (Statistics South Africa; 2008 in Van Klaversen 2009). However, it should be noted that by the end of 2016 women in South Africa had improved their representation on the formal job market with most estimates of their representation between 40% and 46% (Reddy 2017). It must be noted that these statistics are from a few of the bigger cities in South Africa and do not represent trends across the entire country because that would then show women as still severely under represented (Daisy 2018).

In the early 1990’s and the 2008 global financial crisis affected low skilled woman negatively (Flurlow, 2015). Despite all efforts globally to improve women participation in entrepreneurship and employment, the approximate proportion is 10% (Gurjaro, 2016). Furthermore, of that percentage, approximately 66% are employed in lowly and unskilled to semi-skilled clerical roles rather than in a construction role, whilst about 6% in the United Kingdom are employed in the construction sector (Thwala 2016). And only 4.1% in are employed in the construction sector in the USA (Menches and Abraham, 2007). The Royal Institute of Chartered Surveyors (RICS) noted that of them 100 000 chartered surveyors worldwide, only 10% are female (Ellison, 2003).

The above statistics show that the challenges women face is global and are not limited to South Africa or the construction industry alone. One of the biggest challenges faced by women in the Construction Sector is lack of knowledge of the essentials of the business such as recruitment, financial management, and how to draw up proposals (Menches and Abraham 2007). Some women, as Klaaren (2019) notes, do not even know of the opportunities available in the industry and those who do are only exposed to low end menial jobs so they do not aspire to more or are simply not given the opportunity. Globally, the sector has a perception of not being a desired place for a woman to work, so women also face discouragement from home (Lingard, 2016).

The South African government is committed to changing gender profiles and deliberately raising the percentage of women participation in all levels of the construction sector (CIDB,2006). Government initiatives in support of women include such initiatives as Western Cape Women in Construction which has helped to organize women in the sector and lobbied to get them work (Department of Transport and Public works, 2010). Gumede (2015) also noted that the expanded Public Works Programme is another example of an initiative that the government has implemented nationwide with a view of including as many women as possible in the construction sector (Thwala, 2011). In recent times, the government has been discussing tax relief and tax cuts for construction companies hiring more black women in semi-skilled and skilled positions to encourage the investment in women's development in the industry (Khoza 2016).

Khoza (2016) notes that some women successfully navigate the Construction industry and have made it a suitable environment for dynamic work experiences and upward mobility. The fact that women are oppressed, is no longer a secret, it is presented in a vast array of scholarly articles and even in the society we live in (Ngwaimbi, 2012;50). However, despite all forms of study and documentation of their plight, women continue to struggle in order to overcome the challenges in the construction sector and the economy as a whole. Behind these struggles is the desire to overcome the constraints they face and gain total emancipation in all endeavors of life, culturally, socially, politically, economically and otherwise (Ngwaimbi 2012:50).

Women in South Africa still face a lot of cultural challenges when it comes to industries like construction. Daisy (2018) found out that so many women were still playing a background role in construction because traditionally it is not seen as a field that women can handle so there is a lot of discrimination from people in the sector and the community. There is not much precedence of Black women involving themselves in the construction sector because of the jobs that were available in the industry before independence were very physically challenging jobs and this made it the domain of Black man (Pollock 2017). This might explain why many young women do not confidently take up construction and construction related courses at University (Daisy 2018).

Whilst Black men have other Black men fighting for their economic emancipation, Black women find themselves isolated just like their counterparts who are involved in politics at the highest

level (Chege 2017). Women are sidelined at every level of decision making and even when they are involved politically it is at a secondary level and this affects their ability to participate meaningfully in sectors like construction (Bozen 2017). Chege (2017) suggests that until there is significant representation of women on all committee that are trying to empower society then the impact of such programs will be very minimal. Other more radical scholars like Bozen (2017) have called for the implementation of quotas in all aspects of the construction industry to guarantee that women are taking up key roles and also force men to train women to take up such positions.

Another major challenge that women face in the construction sector has to do with the working hours that are required in the industry. Bozen (2017) found out that unlike other industries where people work 8-10 hours the average construction worker in South Africa works 12 hours a day and is still asked to come in to work half day on a Saturday twice a month (Miles 2017). This makes the industry very challenging for women considering they have family responsibilities that need them to spend more time at home than at work (Bozen 2017). Such careers are challenging because they also force women to start families quite late in their careers and this is because there is a bias towards women when it comes to employment opportunities with many companies citing maternity leave and harmful environment for pregnancies as some of the reasons why they would not prefer to employ women (Bozen 2017).

Miles (2017) found that one of the biggest challenges being faced by women is that they are being used to push the agenda of other groups when it comes to involvement in construction. Most women who have registered construction concerns are not in actual fact the ones carrying out construction work but it is their male spouses and relatives (Bozen 2017). Given that there is a deliberate drive to put forward the agenda of women in economic matters, some men have now started using women for their own benefit and these women are often short changed at the end of the day and they do not benefit as much as they should from ventures started in their names (Law 2017). Such women often lack knowledge and resources needed to fully apply themselves and they then find the work to be very challenging (Miles 2017).

2.8 Tenderpreneurs

In South Africa, a tenderpreneur is a person in government or private sector who obtains private or government tenders and contracts to facilitate outsourced services (Sharma 2015). Lynch

(2015) notes that these tenderpreneurs do not do most of the work they get tenders for but instead hire third parties who are qualified to do the actual work. These individuals are usually in collaboration with those responsible for the tender process (Sanders 2017).

Tenderpreneurship rose to popularity post-apartheid. The ANC government has used the procurement process as a strategy to empower black people. In the 2014 national budget for instance, there was R500bn set aside for government bill of goods and services as well as the R900bn infrastructure budget over the medium-term framework and this goods, services, and infrastructure development work which would likely be given out through a tender process (Sanders 2017).

In the construction sector where all work is given out through the tender process, Black tenderpreneurs have taken over and even employ traditional White companies to carry out construction work for them when they get the tenders (Amadusum 2013). This has made them very unpopular with both White and Black players in the industry and are viewed as a common enemy (Fiet 2017). The presence of tenderpreneurs possesses a great threat to the aspiration of Black companies in the construction sector because they represent a formalization of the systematic corruption within government and municipalities.

The tender process in South Africa, as with many other countries and industries, is a very open process which is designed to give a fair chance to all companies that feel like they qualify to carry out the work that is advertised (Miles 2017). However, having someone on the committee who gives information is helpful because it allows companies to know what the competition is charging and how they have structured their tender so that way those with inside information will always prepare the best tenders (Law 2017). Therefore, corruption of officials involved in or close to the tender process is a serious problem in South Africa that needs to be urgently looked at (Law 2017).

The government of South Africa has tried to limit the influence and participation of tenderpreneurs in the economy after the public outcry from all angles (Chunga 2018). Pollock (2017) notes that it is a very difficult task to monitor the little and subtle aspects of all tenders that are issued and to monitor some of the under dealings involved which are very sophisticated.

2.9 Legislation and policies of the Construction sector

2.9.1 Black Economic Empowerment and economic transformation Policies

Black Economic Empowerment (BEE) is a racially selective programme launched by the South African government to redress the inequalities of the Apartheid system by giving black (Blacks, Coloureds and Indians) South African citizens economic privileges not available to them before independence (Owen 2014). It is a form of Affirmative action. Although race is the overriding factor, it includes measures such as Employment Preference, skills development, ownership, management, socioeconomic development, and preferential procurement all deliberately designed to improve participation of all groups in the economy (Monday 2016).

By 2015 around R350 billion (equivalent to US\$24 billion) worth BEE deals had been done by the top 100 companies on the JSE with an additional R50 billion by private South African companies indicating that 10 percent of South Africa's GDP had been transferred to 20 percent of the population in the 15 years since 2000 (Monday 2016)". This has been a great effort by the government in the drive to improve the lives of all South Africans.

BEE was defined in the 2001 Commission Report as follows;

It is an integrated and coherent socio-economic process. "It is located within the context of the country's national transformation programme, namely the RDP. It is aimed at redressing the imbalances of the past by seeking to substantially and equitably transfer and confer the ownership, management and control of South Africa's financial and economic resources to the majority of its citizens. It seeks to ensure broader and meaningful participation in the economy by black people to achieve sustainable development and prosperity.

BEE Commission Report, pg. 2 (2001)

BEE seeks to change the way society is shaped due to the lack of opportunities in terms of the education and skills development given to the previously disadvantaged groups and close the poverty gap that had grown significantly thus making it difficult for Black people to balance economic participation (Anaeshi 2007). BEE is intended to stimulate the process of participation

of previously disadvantaged groups in the economy to lead to increased economic growth (Monday 2016).

When the new Constitution was adopted, a provision was made that government tenders must take black-owned entities into consideration and this greatly impacted the construction industry that uses the tender system. Simply put, you have to be BEE compliant to be able to do business in South Africa (Anaeshi 2007). One of the 5 elements of the BEE scorecard is preferential procurement and supplier development, and this is the element that carries the most weight (nearly 40%); if you procure from other entities that are BEE compliant your BEE score increases (Fatoki 2015). One can see the trickledown effect from suppliers to government down to their suppliers Anaeshi 2007).

2.9.2 Black Business knowledge of laws and policies

Migiro (2008) noted that for any business venture, it is important for those involved or wanting to be involved to fully understand the laws of the sector. Understanding the laws and regulations makes one understand the legal parameters they have to work within and it helps to conceptualise right from wrong from the onset to avoid legal troubles (Owen 2014). Therefore, it is very important for anyone wanting to start or embark on a business venture to fully understand the laws that govern the sector of choice.

Owen (2014) notes that the construction sector is one of the industries that requires a lot conceptualization given it is a very technical field. The rules and regulations governing the construction sector resemble the nature of the work itself, which is very technical (Kennedy 2017). Against this back ground, it is imperative that entrepreneurs venturing into the sector take time to understand what is required of them if they are to be successful. Interestingly, there has not been much study into the literacy levels of Black entrepreneurs in the sector and the government needs to do a lot of work to ensure that Black entrepreneurs are equipped with the relevant knowledge (Khoza 2017). The government has been running programs aimed at equipping Black entrepreneurs with the knowledge they need but a lot needs to be done to reach most of them. The main challenge, according to Chibwe (2017) is that most of the individuals in the sector cannot properly read or write in the first place and that need to be addressed before anything else can be done (Cole 2015).

The literacy levels of Black people have been gradually on the rise since independence due to government policies promoting education for all (Chibwe 2017). A study by Sanders (2017) in 2011 found out that the construction sector of South Africa had one of the lowest literacy levels amongst Black entrepreneurs in general. Whilst the number of Black professional graduating with University and college qualifications that are construction related has increased rapidly since 1997, it is those without this background, ironically, who have ventured in to the industry in droves (Sanders 2017).

Lack of knowledge has exposed some Black companies when they are given complex jobs to do and this has greatly impacted on the reputation of Black businesses (Sanders 2017). Without good reputation it is difficult to get work because investors need to be confident in the abilities of a contractor given the large sums of money that often go into construction (Sharma 2015). This lack of knowledge has also led to Black companies not being properly registered or not having adequate certification in key elements of the business-like safety (Chibwe 2017). This has the effect of limiting the type and nature of jobs that Black companies can do.

2.9.3 Health and Safety Standards

The health and welfare of workers is a very important of modern-day topic. Anescu (2018) noted that most countries and associations in the construction sector have come up with health and safety requirements that make sure workers are protected from the often very hazardous environment that they have to work in. Construction produces emissions into the air, noise and sound pollution, amongst other things, that may affect construction workers' health negatively (Drinkwater 2018).

The construction sector is notorious for long and labor-intensive working hours. (Anescu 2018) notes that whilst most emphasis has been put on the issue of low wages for such long hours, the consequences of working such long hours on the human body are very serious and should be carefully considered to preserve the bodies of workers. Miles (2017) notes that construction workers' unions in South Africa have been trying to negotiate better working hours because of the strain on the body caused by long working hours. The average construction worker works on average 12 hours a day and this is too much in comparison to other labor-intensive jobs and this

is a serious cause of concern (Anescu 2018). Black construction companies, that tend to have less equipment, are most notorious for long working hours with some workers working as much as 16 hours a day to make sure targets are being met and this has made some Black companies less desirable to potential clients who do not want such things on their records (Miles 2017).

Thus, the first challenge that is being faced by Black players in the construction industry is that of meeting the minimum requirements for safety and health of workers whilst they are undertaking construction activities (Coninck 2018). Bozen (2017) notes that there are serious rules and regulations in place that are aimed and designed to guarantee worker safety and health that have been put in place by the government through the relevant ministry and there are also rule and policies that have been established by various independent safety and health boards. Without achieving the minimum standard safety and health regulations, it is almost impossible for a company to be considered for tenders and this rules out most black companies (Richard 2018). Bozen (2017) goes on to note that because of the nature of construction activities, safety and health measures are not always cheap or easy to put in place and this then affects smaller companies that have no resources.

Black companies have been accused of treating safety and health issues as secondary to the job of construction itself and this has tended to lend them in trouble with safety and health authorities (Drinkwater 2018). (Richard 2018) noted that by June 2017, at least 14 construction operations had been shut down by safety and health officer in eThekweni alone. This number could rise significantly if the responsible authorities had enough resources to track down and assess all the construction sites scattered across eThekweni. (Drinkwater 2018) notes that a few several more substandard construction sites would have escaped punishment and closure due to the paying off of some corrupt officials although these rumors have yet to be confirmed.

Most Black owned companies have been reprimanded for lack of proper protective clothing for their workers. Drinkwater (2018) suggested that most workers do not have the basic standard protective clothing that is needed to increase and ensure safety and this is a serious concern for officials from both government and the public sector (Miles 2017). Protective clothing is reduced from actual quantities or left out entirely because companies want to save costs and this in turn puts workers at great risk whilst doing their jobs (Paloski 2017). As Law (2017) explains, it is

not always that companies are trying to cut back on the amount of protective clothing to cut costs, sometimes it is just poor planning that results in such important equipment running out at critical times and therefore leaving workers exposed until it can be purchased. Paloski (2017) opines that this poor planning is part of the reason why some Black companies are not considered for tenders because it is apparent from the onset that there is no adequate provision for safety and health measures for workers and this makes it very uncomfortable for tender boards to award contracts to such companies.

Most up coming companies in the construction sector often have outdated machinery. Klaaren (2019) insists the major reason for outdated machinery is that it would have been sold to them by bigger companies when they buy new machinery. This old equipment is often faulty and inefficient and this puts workers who use the machinery or work alongside it at great physical risk that is often overlooked by the companies in pursuit of profits (Miles 2017). This challenge is rife all-over South Africa and is common amongst the smaller construction companies and needs to be urgently looked into (Klaaren 2019).

Daisy (2018) notes that even larger companies in the industry have been accused of using machinery that is harmful to their workers. Equipment used in the construction sector often pollutes the air and the environment. Miles (2017) insists that most of these challenges just come with the nature of construction itself and has nothing to do with a specific group of people. Given the amount of construction taking place in South Africa, the sector is not only a lucrative venture for companies but also a very dangerous trade for those involved in actual construction”. This makes construction sector management very important to the government and municipalities.

The pollution of the surrounding environment by construction sites has been very topical particularly in urban centers of the past few years in South Africa. A report cited by (Pollock 2017) reviewed that residents in areas where new construction was taking place often complained to local authorities about excessive noise coming from construction sites especially at night due to 24 hour working shifts designed to finish jobs in record times. “Apart from noise pollution, the by products of construction which include chemicals and water pollution are also affecting water sources as well as the ecosystems in areas where there is heavy and persistent construction (Richard 2018).

It has been proven that most companies in the construction sector have not been able to carry out the mandatory quarterly health checks for their employees to make sure that they are keeping a close eye on their health (Richard 2018). Most workers in Gauteng's construction sector, for instance, have never gone for health checks after joining the companies that they work for (Daisy 2018). The lack of constant and regular checks puts workers at risk of developing conditions that might be life threatening and as Klaaren (2019) notes, these are some of the many legal obstacles that need to be addressed by upcoming businesses in the industry if they are to succeed. This is important because most clients are now demanding health records, health certificates, machinery service records and safety plans, amongst other things, before awarding contracts to companies to carry out work (Daisy 2018).

There is a serious lack of safety and health plans at construction sites that are run and managed by Black companies and this is against the law (Klaaren 2018). Daisy (2018) insists that if the law was to be properly employed then as many as half of all Black owned construction concerns in eThekweni would be shutdown until they meet safety and health concerns. It is illegal to operate a construction site without a safety and health plan as well as a safety and health official on a full time or consultative basis and for most Black companies this is a serious legal matter that they need to address with caution and quickly (Paloski 2017).

2.9.4 Black companies and the environment

There has been a lot of talk about the ethical conduct of Black companies. Richard (2018) notes that there have been reports of Black companies paying off bribes to local safety and health officials to clear and certify their operations that are substandard. Some of the serious crimes that they are getting away with include digging and extracting sand and rocks from undesignated areas there by destroying the environment and its ecosystem (Drinkwater 2018). Richard (2018) observed that when it rains some of these pits trap water and then help to spread malaria and other waterborne diseases and they put children at great risk". These activities have made Black construction companies very unpopular in areas in which they operate.

There is need to make sure that construction work being undertaken meets the criteria for sustainable development if Black companies are going to be taken seriously (Miles 2017). (Klaaren 2019) notes that there is need for serious education in this regards as most Black companies do not even consider how they are damaging the environment with their activity.

Furthermore, “local and government authorities need to clamp down on those who do not comply with rules and regulations to make sure that they are protecting the environment for future generations (Miles 2017). Black companies should pay for environmental assessment reports which should be submitted along with their proposals and tender applications for jobs allocated to Black companies and this will make sure that they are not damaging the environment (Klaaren 2019). Thus, there is also need for the government to also make sure that as much as they are helping Black companies to get business, they also help them meet the requirements that everyone else has to because this will guarantee the protection of the environment (Richard 2018).

There have also been some serious allegations that some Black contractors use substandard material which costs lower than what they would have charged to client in a bid to make more profit than they would have (Richard 2018). Allegations are also that some companies use material than required to do certain jobs thereby compromising on the quality and strength of structures which puts human lives at risk (Daisy 2018).

Black companies in the construction sector are relatively new but that does not exempt them from their obligations towards social corporate responsibility (). All companies are expected to give back to the community particularly the communities they work in or that are affected by their operation (Law 2017). However, as Reddy (2017) notes, Black contractors in eThekweni either do not have such policies or mechanisms at all or they feel like they do not make enough to be giving back making it the problem and concern of already well-established players in the industry instead.

2.10 Challenges being faced by Black Companies

2.10.1 Migrants and the construction sector

Chibwe (2017) noted that one of the unseen challenges of the fall of apartheid regime has been the influx of foreign businesses in South Africa as a result of the lifting of sanctions on the Southern African country and the free movement of Black people across South Africa borders. Black people thought that when they attained independence it would be easy to progress rapidly economically, but they did not foresee the challenges of free markets. Kennedy (2017) notes that

there was an influx of foreign and regional companies in all sectors of the economy at independence and even to date South Africa is a top investment destination in Africa thereby making it very hard to compete in the sectors like construction.

South Africa's challenge with foreign migrant labour, particularly from the region, is well documented. Kangai (2015) concluded that though South Africa is Africa's second largest economy, it is by far the most versatile and lucrative economy making it the number one destination for other Africans looking to earn a decent living. For instance, it is believed that at least a million Zimbabweans are in South Africa doing various jobs (Kangai 2015). It is possible, therefore that most of these illegal foreigners are doing construction work in South Africa. Gerber (2012) notes that most people start off doing labour intensive jobs when they get to South Africa that do not need them to have proper documents and they are paid cash each week or every two weeks.

To worsen the situation with migrants is the fact that most of these migrants are semi-skilled to highly skilled in construction and this makes them very attractive for those giving out work contracts (Kangai 2015). Chibwe (2017) went on to argue that most skilled construction workers from the region have a higher work ethic than their South African counterparts and this is something that is well known so therefore it is not surprising they take away jobs from South Africans.

Migrants, as Chibwe (2017) noted, are always an easy source of cheap labour and they will accept almost any amount of money for a job and this is something that established companies are not willing to do. Therefore, when migrants are willing to work for cheaper it is then difficult for Black South Africans to compete. One of the major challenges that Black South Africans in the sector are facing has to do with registration. Anaeshi (2017) noted that there have been instances where jobs have been awarded to foreigner due to lack of proper registration by South Africans competing for those jobs and this is self-defeating on their part.

2.10.2 Financing

Small and major construction projects are normally expensive to carryout and require access to lots of capital for one to carry them out. Gerber (2012) notes that one of the biggest challenges facing Black businesses in the construction industry has to do with the issue of financing for their

projects. Major lending institutions such as banks require collateral or other guarantees to back loans to companies so that they insure themselves against losses (Sharma 2015). This is a challenge for most Black entrepreneurs who do not have assets that can guarantee their loans.

Sharma (2015) has also lamented what he describes as the unfair treatment of Black people by lending institutions who will relax conditions of loans for White people and not for Black people. Whilst the truth of that assessment might be not true, the truth is that Black companies often find it hard to access money for their projects as they are not an attractive entity for the Banks and other lenders. This is because, as Sanders (2017) explains, Black entrepreneurs sometimes just do not know how the financial systems works and them not getting funding might be a result of lack of knowledge.

The government has tried to help out entrepreneurs with loan facilities and partnership programs to help them get onto their feet and find their bearings. However, what is disappointing is that most of these individuals do not come back to service their loans to the government so what it means is that there is no money to fund the next bunch of people wanting loans (Sanders 2017). Therefore, lack of success and servicing of loans has also greatly hampered and hindered the financing of Black businesses. (Goodwin 2017) noted that in 2012, South African banks recorded a 47% success with recovering loans from startup Black companies thereby resulting in them tightening the laws and rules for lending to such companies. This has also resulted in the slow growth of the participation of black businesses in the construction sector.

2.10.3 CORRUPTION

Corruption has been described by Goodwin (2017) as Africa's Achilles heel. Corruption is a cancer that has stalled the growth and progress of African people and needs urgent attention if fortunes of Black people are going to change (Khoza 2017). According to Chobwe (2017) it is estimated that South Africans lose an average 8 billion a year in officials' corruption alone and this is a fraction of what is lost by the entire economy.

In the construction industry, corruption has hit Black businesses the most. Sanders (2017) claims that most government and municipality officials have taken advantage of their positions to enrich themselves through awarding themselves and their allies construction jobs. Bowen (2012) describes this corruption by officials as a form of dishonest or illegal behavior that manifests as

patronage, nepotism, bribery, ghosting kickbacks, front for companies and embezzlement of funds. It is believed that 65% of all construction jobs involving government and municipalities are compromised to the above listed activities in one form or the other and this is cause for serious discussion (Bowen 2016).

Most Black companies have complained about officials demanding kickbacks from them for contracts awarded and this greatly reduces their hard-earned revenue (Lynch 2015). To get more work, business owners are forced to comply with these demands and this often worsens the situation as it becomes an expectation for officials to get something from contractors (Chibwe 2017).

The most prevalent form of corruption in the industry is the setting up of shelf companies by officials that are fronted by close friends and allies (Anaeshi 2017). These companies that have no offices or experience whatsoever and have no employees are awarded tenders to carryout big jobs. These companies then sun contract actual construction companies to do the actual job and they keep a large chunk of the profit thereby short changing those who do the actual work (Chibwe 2017). Unfortunately, it is often Black owned businesses that are desperate for work that get short changed by these unruly dealings. The government procurement has been marred by widespread corruption and in 2016, the deputy public protector Kevin Malunga, estimated that 60% of all tenders were contaminated with some form of corruption activity (Anaeshi 2017).

Some government officials have also been known to award tenders in exchange for sexual favors from women and this is also a form of abuse by these authorities. Anaeshi (2017) notes that most of these women have political connections and they do not mind exchanging sexual favors for work. Chibwe (2017) suggested that these officials also prey on young men who they sleep with in exchange for favors so the problem might not be limited to just women as previously thought”.

2.11 Conclusion

The chapter looked at literature relevant to the subject being investigated and this process was guided by the study objectives and study questions. Important elements such as transformation and entrepreneurship were also defined.

CHAPTER 3 – STUDY METHODOLOGY

3.1 Introduction

This chapter “describes and outlines study design (which are the study plans that guide how to collect data), study philosophy (which involves discourse on study paradigms) and methodology to be used to gather data. Interviews and questionnaires will be discussed in depth in this chapter to show how they were the best data gathering tools available to the studyer and how they help with issues of validity and reliability. The population will be discussed in relation to the sample and sampling methods used in the study. Ethical considerations, which are essential to the credibility of the study, are also discussed in detail in this chapter.

3.2. Study Design

According Schvaneveldt and Adams (1991:39), study designs are plans that guide decisions as to when and how often to collect the data, from whom and how to analyse the data. A study design is the set of methods and procedures used in collecting and analysing measures of the variables specified in the study problem (Runkel 2016). The design often determines the study type because it gives guidance as to what the studyer can and cannot do based on design choice, though these lines can often be blurred and can cross paths (Yin 2018). Craig (2013) notes that some of the major types of study designs are; causal-comparative study, correlational study, explanatory study, descriptive study and exploratory study.

This study will use exploratory study design. Exploratory study is conducted for a problem that has not been studied more clearly and there is need to get clear understanding (Brewer 2011). Stake (2005) opined that when study aims to gain familiarity with a phenomenon or to acquire new insight into a subject area that not much or little is known about, exploratory study can be very useful because it allows studyer to ask why, how and when which helps get clearer understanding on the subject in question. This is ideal for this study because the studyer seeks to understand or get useful insight in an area that has not been explored fully. Thus, exploratory study design allows the studyer to ask the questions why and how which are important to this study. It is important to note, however, that the results of exploratory study are usually not useful for decision making by themselves but provide significant insight into a given situation because they do not answer the questions; how often and how many (Fielding 2007).

Huberman (2014) insists that whilst exploratory study is flexible and can address study questions of all types, it is not typically generalizable to the population at large and therefore is most suited for specific individuals or members of a population. The main aim of exploratory study is to identify the boundaries of the environment in which the problems, opportunities or situations of interest are likely to reside and to identify the salient factors or variables that might be found there and be of relevance to the study (Van Wyk (2012)”. Huberman (2014) explained that the advantage of exploratory study is its ability to lay the initial ground work for future study on the subject in question or areas similar to it.

The study “employed exploratory study because whilst there have been a lot of studies on Black entrepreneurship and socio-economic transformation, there has not been any scrutiny on the challenges being faced by Black business owners in the construction sector. Most study in this subject matter has aimed at dealing with statistical analysis of numbers and figures but exploratory study helps to answer the questions that capture thoughts, moods and feelings which gives a clearer picture of the state of Black involvement in the construction sector. Furthermore, in a world where technological advancements and globalization have ensured that changes and trends are constantly changing, exploratory study helps to gain insight into new or over looked factors on the subject matter and allows not only for further study but also for new areas of interest for other studies that would have been previously unknown.

3.3. Study Philosophy

Stake (2005) notes that there are important philosophical differences between studies that focus on facts and numbers; such as an analysis of the impact of foreign direct investment on the level of GDP growth and qualitative studies such as an analysis of leadership style on employee motivation in organizations. Therefore, as Runkel (2016) simplifies, study philosophy deals with the source, nature and development of knowledge. In much simple terms, a study philosophy is belief about the ways in which data about a phenomenon should be collected (Yin 2018). Addressing study philosophy in study involves being aware and formulating the fundamental beliefs and assumptions (Freeman 2008)”. Craig (2013) notes there two main study paradigms, which are Positivism and Phenomenology.

Positivism is “based on the idea that science is the only way to learn about the truth. As a philosophy, positivism adheres to the view that only factual knowledge gained through observation (the senses), including measurement, is trustworthy and in positivism studies the role of the studyer is limited to data collection and interpretation in an objective way (Dunkel 2016). Moreover, in positivism studies the studyer is independent form the study and there are no provisions for human interests within the study (Craig 2016). Crowther and Lancaster (2008) argue that as a general rule, positivist studies usually adopt deductive approach, whereas inductive study approach is usually associated with a phenomenology philosophy. Moreover, positivism relates to the viewpoint that studyer needs to concentrate on facts, whereas phenomenology concentrates on the meaning and has provision for human interest (Crowther and Lancaster 2008).

The major disadvantage of using positivist approach is that it uses experience as a valid source of knowledge and this is not always the case (Dunkel 2016). The challenge also is that it becomes impossible to gather new facts and data using the positivist paradigm and all data from positivist methods is only descriptive and cannot explain findings (Craig 2016).

Phenomenological study is a deep investigation of what experiences mean to people and at its core, it concerns the investigation of everyday human experiences in order to learn people’s common sense understanding and the meaning they make of their experiences and the experiences of others (Becker 2016). Therefore, with phenomenological study the studier focuses on human experiences which cannot always be quantified. Whilst there are many variations of phenomenological study paradigm, the study used the interpretivist approach.

In her explanation of interprevist approach, Becker (2016) noted that while many study projects begin with a hypothesis and work to prove or disprove that original theory, an interpretivist approach lets the results evolve naturally from the study. With interpretivist study, the goal is to develop an understanding of the subjects and the topic and this differs from most other data collection and study methods because it shifts the focus away from making and proving the studies predictions (Genesca 2015). It runs all the information gathered through the filters of

social constructs, cultural norms and relationships between subjects and studies; this is a key differentiation from other methods (Silverman 2011).

Interpretivist approach is generally dependent on naturalistic data collection methods such as interviews and observations yet it still allows, in unique cases, for the use of methods like questionnaires to allow for comparison and grouping of similarities on specific issues (Becker 2016). However, Main disadvantages associated with interpretivism relate to subjective nature of this approach and great room for bias on behalf of studyer (Davis 2018). Primary data, as Silverman (2011) noted data generated in interpretivist studies cannot be generalized since data is heavily impacted by personal viewpoint and values. Therefore, reliability and representativeness of data is undermined to a certain extent as well. However, because of the intimate nature of interpretivist data collection methods, it tends to generate data that is trustworthy and honest thereby associating it with high levels of validity (Freeman 2008).

The study will use interpretivist philosophy because though there is a specific area of inquiry results of study will be dependent strictly on findings and this will help to fill up knowledge gaps in the area under study. Interpretivist approach is associated with high data validity because it captures original thoughts, feelings and impact without grouping or reducing them into quantifiable entities and this will help the studyer better understand the impact of training on productivity thereby helping to fill knowledge gaps. Furthermore, this approach considers social constructs and relationships allowing the studyer to explore matters that affect Black companies in the construction sector in depth.

3.4 Study Approach/Methodology

According to Fielding (2007), methodology is the systematic, theoretical analysis of the methods applied to a field or study and it comprises of the theoretical analysis of the body of methods and principles associated with a branch of knowledge. The methodology is the general study strategy that outlines the way in which study is to be undertaken and, among other things, identifies the methods to be used in it and the methods, described in the methodology, define the means or modes of data collection or, sometimes, how a specific result is to be calculated (Runkel 2016). Brewer (2011) suggested that it is important to note that a methodology does not set out to

provide solutions; it is therefore, not the same as a method. Instead, a methodology offers the theoretical underpinning for understanding which method, set of methods, or (best practices) can be applied to a specific case, for example, to calculate a specific result”. There are three major approaches, that is, qualitative, mixed methods and quantitative study.

3.4.1 Quantitative Study

Quantitative methods “emphasize objective measurements and the statistical, mathematical, or numerical analysis of data collected through polls, questionnaires, and surveys, or by manipulating pre-existing statistical data using computational techniques (Stake 2005). Quantitative study focuses on gathering numerical data and generalizing it across groups of people or to explain a particular phenomenon. The goal when using quantitative approach is to determine the relationship between one thing (an independent variable) and another (a dependent or outcome variable) within a population (Huberman 2014). Quantitative study designs, according to Genesca (2015), are either descriptive (subjects usually measured once) or experimental (subjects measured before and after a treatment).

Quantitative approach deals in numbers, logic, and an objective stance (Becker 2016). Quantitative approach focuses on numeric and unchanging data and detailed, convergent reasoning rather than divergent reasoning (that is, the generation of a variety of ideas about a study problem in a spontaneous, free-flowing manner) (Yin 2018). Therefore, data is usually gathered using structured study instruments and resulted are based on larger samples that are realistically representative of the population. The study can be replicated or repeated and this leads to high reliability of results (Davis 2018)

However, the major weakness of quantitative study is that it predominantly does not concern itself with external factors from the main subject matter (Stake 2005). This is why it is not best suited for a study as this one which seeks to unearth new evidence and realities that previously unknown. Furthermore, not all factors that affect human lives, such as thought, feelings and socialization can be quantified or reduced to numerical figures that can be easily interpreted (Freeman 2008).

3.4.2 Qualitative Study

Qualitative study is a scientific method of observation to gather non-numerical data (Yin 2018). This type of study, as Stake (2005) explains, Refers to the meanings, concepts definitions, characteristics, metaphors, symbols, and description of things. Qualitative study is also used to uncover trends in thought and opinions, and dive deeper into a problem that there is little or no understanding (Huberman 2014). Silverman (2011) emphasizes that qualitative Study is primarily exploratory study and is used to gain an understanding of underlying reasons, opinions, and motivations. It provides insights into the problem or helps to develop ideas or hypotheses for potential quantitative study. Qualitative data collection methods vary using unstructured or semi-structured techniques and common methods include focus groups (group discussions), individual interviews, and participation/observations (Brewer 2011). Bogdan (2014) notes that with qualitative study the sample size is typically small, and respondents are selected to fulfil a given quota.

Qualitative study captures moods, feelings, emotions and personal thoughts. Fielding (2007) notes the intimacy of qualitative approach helps the studyer obtain in-depth knowledge on a subject matter because most of its methods allow for the accumulation of information previously unknown. The unique advantage of qualitative approach is that it gives the opportunity to probe by asking questions like, help me understand why or how did it make you feel? (Runkel 2016). There is also room to observe record and interpret non-verbal communication (that is body language, voice intonation) as part of respondent's feedback which gives deeper and invaluable insight to a subject matter (Fielding 2007).

The major disadvantage of qualitative approach is that it is subjective because it captures what the studyer interprets to be the meaning of the respondent's words or actions (Bogdan 2014). As Becker (2016) notes, this presents the qualitative approach with reliability challenges since how the studyer internalizes and processes information is crucial to study out comes thereby not eliminating bias or presumptuous attitude. Qualitative data can also not be grouped to better understand trends and group variables.

The study utilized qualitative study. The major reason for utilizing this methodology was because it allowed for the identification of new and untouched phenomena. This was important in order to fill knowledge gaps and make useful recommendations. Qualitative study also unearthed new areas of potential study that would otherwise not have come up. Qualitative approach was important for this study because it was able to target specific individuals who have been directly impacted by the state of the construction sector and those with expert knowledge in the subject matter to determine how and why things are the way they are rather than quantify data that is already known. Qualitative study also allowed for the use of data collecting methods such as interview guides which are intimate face to face methods that also allow for clarity on certain issues.

Qualitative study allowed the studyer to investigate the elements being studied thus aiding in the identification of the relationship between variables e.g. the relationship between black entrepreneurship, transformation policies and the construction sector (Yang and Miller, 2008). In qualitative study, methods such as observation, interviews, and surveys are used in the collection of data”.

3.5 Study Strategies

3.5.1 Positivist study strategy

3.5.1 Surveys

A survey is a “quantitative method whereby a studyer poses some set of predetermined questions to an entire group or a sample of individuals (Bogdan 2014). Surveys are helpful in quickly determining features or characteristics of groups and help to prepare for more focused, in-depth studies. Surveys are possibly the most commonly undertaken form of study and this is because they are extremely flexible making their construction and modification easy whilst carrying out study (Brewer 2011). However, the main weakness with surveys is that they are good at showing association but not causality and this limits their efficiency in understanding why certain things occur.

3.5.2 Phenomenological study strategies

3.5.2 Interviews

Interviews can be defined as qualitative study tools that use conversation as a tool to illicit information (Brewer 2011). Though the studyer has a number of predetermined questions, interviews allow the studyer to expand or broaden the area of interest as issues come up during the interview and this makes interviews very efficient where little or not much is known about area under study (Lynch and Black 2015). There are three types of interviews, which are; structured interviews, Unstructured interviews and semi structured interviews. This study employed semi structured interviews because though they have a predetermined interview guide, they allow for additional questions which normally explore angles the studyer did not previously cover or did not know would be important. This helped to gather rich data from interviewees.

3.5.3 Focus Groups

A Focus Group is a group of individuals selected and assembled by the study to discuss and comment on, from personal experience, the topic that is the subject of the study Bogdan (2014). Focus Groups, as Gumede (2016) states, are particularly suited for obtaining several perspectives about the same topic because they involve organised discussion with selected group of individuals to gain information about their views and experiences on the subject matter. However, the challenge with Focus Group discussions, particularly when dealing with individuals such as entrepreneurs, is that it would require getting a lot of individuals who work independently into the same space at the same time and this is a big problem.

3.5.4 Action Study

Action study is known by many other names, including participatory study, collaborative inquiry, emancipatory study, action learning, and contextual action study, but all are variations on a theme (Hutchings 2009). Put simply, action study is learning by doing; a group of people identify a problem, do something to resolve it, see how successful their efforts were, and if not satisfied, try again (Lynch and Black 2015). Therefore, as Hutchings (2009) notes, action study is either study initiated to solve an immediate problem or a reflective process of

progressive problem solving led by individuals working with others in teams or as part of a community of practice to improve the way they address issues and solve problems. The difficulty with action study is that it needs the studier to be actively part of the group or community under study and this has many difficulties for studier.

3.5.5 Ethnography

Ethnography is a type of qualitative study that gathers observations, interviews and documentary data to produce detailed and comprehensive accounts of different social phenomena (Yin 2018). Ethnography entails examining the behavior of the participants in a certain specific social situation and understanding their interpretation of such behavior. Dewan (2018) further elaborates that this behavior may be shaped by the constraints the participants feel because of the situations they are in or by the society in which they belong. The major disadvantage of ethnography would be that it takes a lot of time to complete so studiers must be willing to spend years with the individuals or communities under study.

3.5.6 Case Study

This study used the Case study. Yin (2018) describes the case study as a method of qualitative study that which examines in-depth a small sample to better understand a phenomenon. Case study pertains to a limited number of units of analysis (often on one), such as an individual, a group or institution are studied intensely (Welman and Kruger, 2002). The case study exemplifies the studiers preference for depth, detail, and context, often working with smaller and more focused samples for primary data (Stake 2005).

In doing case study, the case being studied may be an individual, organization, event, or action, existing in a specific time and place (Stake 2005). For instance, clinical science has produced both well-known case studies of individuals and also case studies of clinical practices (Brewer 2011). Case studies allow for the use of both quantitative and qualitative methods which makes it ideal in cases where studyer needs to understand context and also be able to quantify data gathered (Yin 2018).

The study used case studies because they allow for small samples that can help better understand areas of study that not much is known about or to get new information that has not previously been unearthed. The case study of a particular metropolitan and a sample of its Black entrepreneurs helped the studyer get first hand intimate knowledge of the challenges being faced in competing and thriving in the construction sector. This was important given that there is no standard measure of analysing or measuring transformation. Case study also allowed for the use of questionnaires and semi structured interviews in this study thereby helping to improve both validity and reliability.

3.6 Combined study strategy

Mixed methods or, combined study strategy, is a study approach popular in the social, behavioural and health sciences in which studiers collect, analyse and integrate both quantitative and qualitative data in a single study or in a sustained long-term program of inquiry to address their study questions (Runkel 2016). In a primary level mixed method, study a studyer collects qualitative and quantitative data directly from the study participants, for example through interviews, observations, and questionnaires, and combines these diverse data in a single study (Yin 2018). Mixed methods, being relatively new, are still being fully developed as a solid approach to study and Runkel (2016) notes that they should be used with the greatest of care particularly by inexperienced studies.

3.6.1 Population

A study population is also known as a well-defined collection of individuals or objects known to have similar characteristics or traits that are of particular interest to the studyer (Bradley 1992). The population has to be well defined with similar characteristics so that the issue under study can be well elaborated (Bryman et al., 2014). From the population, the studyer is able to obtain the sample that would represent the whole population. Therefore, in this particular instance, the study population is the entirety of eThekweni's Black owned construction companies, government officials and experts in the construction sector.

3.7 Sampling strategy

To answer the study objectives and questions, relevant and quality data needs to be collected. However, according to Saunders, Lewis and Thornhill (2009), it is impossible to collect all the data available due to time, money or access restrictions. Therefore, sampling strategy is used, to reduce the amount of data by considering data from a sub-group rather than all possible cases or elements (Saunders et al., 2009). Due to populations often being very large (Like the millions of South Africans that affect or impact gross productivity indifferent ways), a sample is drawn, with the idea that it will be a representation of the population (Fielding ;2007). Brewer (2011) explains that if a sample is chosen carefully it can represent the population well. There are two main types of sampling which are; Non-probability sampling and Probability Sampling (Freeman; 2008).

3.7.1 Non-Probability sampling

Nonprobability sampling is any sampling method where some elements of the population have no chance of selection (these are sometimes referred to as 'out of coverage'/'under covered'), or where the probability of selection can't be accurately determined (Silverman 2011). It involves the selection of elements based on assumptions regarding the population of interest, which forms the criteria for selection (Stake 2005). Most studies are bounded by time, money and workforce and because of these limitations, it is almost impossible to randomly sample the entire population and it is often necessary to employ another sampling technique (Bogdan 2014).

Subjects in a non-probability sample are usually selected on the basis of their accessibility or by the purposive personal judgment of the studyer. For instance, a study of the impact on minimum wage on work related performance would only target community members employed rather than everyone because those not working would not provide meaningful data. Therefore, as Bogdan (2014) points out, the studyer has control over who to engage because of the unique set of skills or knowledge that is relevant to the study (Brewer 2011). Some of the most used nonprobability sampling methods include convenience sampling, quota sampling and purposive sampling.

Yin (2018) notes that the selection of elements is non-random, nonprobability sampling does not allow the estimation of sampling errors. These conditions give rise to exclusion bias, placing limits on how much information a sample can provide about the population. Stake (2005) argues that Information about the relationship between sample and population is limited, making it difficult to extrapolate from the sample to the population. Since such non-probability sampling methods are based on human choice rather than random selection, statistical theory cannot explain how they might behave, and potential sources of bias are rampant (Runkel 2016). Non-probability sampling is arbitrary and subjective, whereby each member does not have a known nonzero chance of being selected. Non-probability sampling provides a range of alternative techniques to select samples based on subjective judgment (Genesca 2015).

3.7.2 Probability Sampling

A probability sample is a sample in which every unit in the population has a chance (greater than zero) of being selected in the sample, and this probability can be accurately determined (Genesca 2015). The combination of these traits makes it possible to produce unbiased estimates of population totals, by weighting sampled units according to their probability of selection. With probability sampling, the likelihood of any one member (or element) of the population being selected, is known (Davis 2018). If there are a thousand rural schools and two hundred rural secondary schools, the odds of selecting one secondary school as part of the sample is 200:1000 or 0.20 (Mancosa, 2008:71). The fact that each element has a chance of being selected not only reduces bias but it also increases objectivity (Genesca 2018)”.

However, “it is not always possible to have all elements of a study realistically having chances of selection and normally the method used will discriminate particular groups or overlook certain aspects (Fielding 2007). For instance, opinion and approval polls of leaders consider one’s age for participation legibility but that does not mean those selected actually vote at all and this is why then it is hard to predict election outcomes based on their data and statistics (Becker 2016). In some instances, it is not every member of a certain group that can give accurate information concerning specific areas.

This study will use purposive sampling. When using Purposive sampling, individuals are selected based on the assumption that they possess knowledge and experience with the area of interest and thus will be able to provide information that is both detailed (depth) and generalizable (breadth). Therefore, purposive sampling will be used to collect data from individuals in management and particular employees who have received training. Therefore, Black entrepreneurs in the construction industry, government officials and experts in the sector will be key to the study. Purposive sampling allows the case study to look at very few individuals with particular specific information that is crucial to the study obtaining useful data. The studyer will use a sample of 10 Black entrepreneurs, 2 government officials and 2 sectors experts to get a wholesome and balanced view.

3.8. Study Instruments

Freeman (2008) suggested that in the simplest of terms, a study tool is used to collect, measure, and analyse data related to a particular subject. Instruments fall into two broad categories; studyer-completed and subject-completed, distinguished by those instruments that studies administer versus those that are completed by participants (Yin 2018). Creswell (2003) places the data-collecting procedures for qualitative study into four categories: observations, interviews, documents, and audio-visual materials. He then goes on to also acknowledge that questionnaires can also be used, though in a controlled manner, to collect important data during study.

The studyer used two main instruments to collect data, which are interviews and questionnaires. Not only do these two methods help to achieve the aims of the study, they will help to address the potential problem of construct validity. It is argued that in case study there is often a failure to develop a sufficiently operational set of measures, therefore the collection of data is based on subjective judgments (Munoti; 2014). A notable consequence of the subjective nature of information is that informants' views tend to be diverse and at times contradictory, reflecting differences not only in what individuals know but also how the nature of the response depends very much upon the circumstances in which one is asked to divulge information (Berg 2004). Problems emanating from weaknesses of the methods employed will be covered up by the strengths of other method and this why both are very important to the study.

The questionnaire, which was also used as the interview guide, was developed with the overall objectives of the study in mind. Therefore, for each objective 3 questions were formulated. The studyer tried to keep the language of the questionnaire as simple as possible to increase the chances of getting more accurate feedback on questions that were either open ended or closed ended depending on the feedback needed. The questionnaire was finally pilot tested with black players in the construction sector of Gauteng to have a feel of how it was well suited for the study. Finally, the questionnaire was presented and analysed by fellow students for feedback as to how best to structure it.

3.8.1 Questionnaire

Questionnaires are a most convenient and inexpensive way of gathering information from people and could be used to cover a large geographical area or reach many respondents (Yin 2018). Questionnaires, as Bogdan (2014) explains, could be used to either gather quantitative or qualitative data and they are also a better way of reducing interviewer bias because there are no verbal or visual clues that could influence a participant (respondent) to answer in a certain way. Questionnaires could be sent through post to a large number of people in different geographical areas.

3.8.2 Semi-structured interviews

The interview is undoubtedly the most common source of data in qualitative studies. The person-to-person format is most prevalent, but occasionally group interviews and focus groups are conducted (Becker 2016). Craig (2013) notes that Interviews range from the highly structured style, in which questions are determined before the interview, to the open-ended, conversational format and for the most part, however, interviews are more open ended and less structured (Merriam, 2001). This helps the studyer to be flexible enough to ask questions or explore angles that come up during the interview and were not initially on the agenda. The study used semi structured interviews

Semi structured interviews include a number of planned questions, but the interviewer has more freedom to modify the wording and order of questions. They are less formal and questions, though initially well structured, can be changed to allow for issues that are not predetermined to

be discussed (Abawi 2013). This type of interview was more appropriate for this study because the studyer sought to collect as much information as possible from people well versed in the area under study. Semi structured interviews are very personal and create intimacy that generally results in honesty and they allow for follow up questions which are not premeditated. Through semi structured interviews, information as to how training has affected productivity was gathered through intimate and personal experience for individuals and in relation with their work colleagues.

3.9 Validity and reliability

3.9.1 Reliability

Reliability refers to the repeatability of findings (Yin 2018). Bogdan (2014) notes that the question to ask with reliability is that, If the study were to be done a second time, would it yield the same results? If so, the data are reliable. For instance, IQ tests should not give different results over time as intelligence is assumed to be a stable characteristic (Yin 2018). Therefore, the strength of the tools used is very important with reliability.

To address the issues of validity and reliability the study used both interviews and questionnaires. Interviews allow for the gathering of data that cannot be quantified and it is often subjective process which affects reliability. Questionnaires on the other hand use open ended questions that tend to affect validity. Combined, questionnaires and semi structured interviews take care of each other's weakness there by improving both validity and reliability.

3.9.2 Dependability

Dependability in qualitative study can be defined as the stability of data over time and conditions (Dewan 2018). Dependability, therefore, is an evaluation of the integrated process of data collection, data analysis, and theory generation (Jorgenson 2016). A method that is often used to improve dependability of data is Triangulation. Triangulation involves using at least three sources of data so make sure that the weaknesses of one approach to gathering data are

reimbursed by use of alternate data gathering methods (Dewan 2018). The studyer used semi structured interviews, document analysis and questionnaires to attain triangulation and thereby increase the dependability of data.

3.9.3 Conformability

Conformability refers to the degree to which the results of a qualitative study could be confirmed or corroborated by others (Gellerman 2016). Therefore, it is concerned with how other studies can carry out the same study and get the same results as one did before. To improve the conformability of the study, the studyer documented the procedures for checking and rechecking the data throughout the study thereby making it easier for others to follow the same steps to obtain the same results.

3.9.4 Transferability

Transferability in qualitative study refers to the degree to which the results of qualitative study can be generalized or transferred to other contexts or settings (Bogdan 2014). In qualitative study, transferability is the responsibility of the individual or group doing the generalization and the judgment of transferability therefore rests with those individuals (Brewer 2011). The studyer enhanced transferability by doing a thorough job in describing the study context and made assumptions central to the area under study.

3.10. Pilot Study

Pilot studies are conducted prior to the actual study. It is carried out on a small scale in order to eliminate the chances of making errors that might render the whole study useless. In the pilot study, the studyer is able to identify variables of interest (Cohen, 2011). Pilot study is used in testing methodological changes and in testing the efficiency of the study instruments. Through pilot study, challenges are on the study design, methodology, sample selection are identified, and this gives the studyer to develop great care and precision (Fox & Bayat, 2010). The pilot study for this study was conducted with two participants from Gauteng branch of Palcard Group.

The pilot study results showed that Black entrepreneurs were being deliberately side-lined by rules and procedures that did not make their bids attractive to get huge tenders. The respondents also bemoaned the rise of shelf companies that get contracts and sub contracts them to do the

jobs instead. There also seems to a lack of clear understanding of the law and regulations by Black players in the construction industry.

3.11. Data analysis

The most critical stage of the study process and as such it has to be accurately and meticulously done to enable the studyer to answer the study question is the data analysis stage. Data analysis involves a systematic application of statistical and logical techniques to evaluate the collected data (Gay et al., 2006). This data analysis is a means of giving meaning to the collected data and affords the studyer tools to answer the study question. This section will outline how the data collected from the interview questions was scrutinized. studies should have adequate knowledge in the application of analytical tools.

The studyer used thematic analysis to present and analyse data. Therefore, data was grouped under specific themes making it easier to make sense of and analyse. Thematic analysis is one of the most common forms of analysis in qualitative study and it emphasizes pinpointing, examining, and recording patterns or themes within data (Yin 2018). Themes are patterns across data sets that are important to the description of a phenomenon and are associated to a specific study question (Viemer 2015). Thematic analysis is best thought of as an umbrella term for a variety of different approaches, rather than a singular method (Fintel 2017).

3.12 Delimitations

The delimitations are those characteristics that limit the scope and define the boundaries of a study and are controlled by the studier deliberately (Brewer 2011). Delimiting factors include the choice of objectives, the study questions, variables of interest, theoretical perspectives that one adopts (as opposed to what could have been adopted), and the population one chooses to investigate (Bogdan 2014). Therefore, the first delimitation the studier chose had to do with Black entrepreneurship development in the construction sector because Black entrepreneurs are present in almost all sectors of the economy. The choice of objectives further narrowed down and placed a limit on what the studier could investigate and what data could be gathered. This helped the studier to only compile data that was specific and focused on area of interest. The

studier also deliberately chose a sample of the population that had new and old Black business owners to get their views from different experiences which enriched the data.

3.13 Limitations

Limitations are influences that the studier cannot control; they are the shortcomings, conditions or influences that cannot be controlled by the studier that place restrictions on choice of methodology and conclusions (Gumede 2016). The major limitation of the study had to do with time that respondents could be accessed given they all had full time professions which meant appointments had to be made and rescheduled based on availability. Secondly, the fact that respondents could not be accessed in groups at a single time limited the data gathering methods at the disposal of the studier.

3.14 Elimination of Bias

In qualitative study, bias affects the validity and reliability of findings, and consequently affects study decisions and choice of strategies that are used as well as study outcomes (Gumede 2018). As Jorgenson (2016) notes, though bias is inevitable, it can be reduced to the extent that it does not compromise the quality of study outcomes. The studier minimized bias by understanding the limitations of the sample group, (such as level of education), and made certain that the participants were given enough time to complete the simple questionnaire that was developed. It was important to craft open ended questions that allowed for independent responses and during interviews the studier was mindful to stay as objective as possible so that the responses that were taken down were consistent with the independent thoughts of the participant. The studier used gender neutral words throughout the study and tried to make sure that there was also no directly sex related questions that depended on one being male or female. Age and experience were important to the studier to make sure that data gathered came from individuals of different ages and generations as they often have divergent views based on their exposure to different ways of thinking.

3.15. Ethical Considerations

Ethical considerations are the norms or standards for conduct that distinguish between right and wrong in study and they help to determine the difference between acceptable and unacceptable behaviours (Lynch and Black 2015). It is the primary responsibility of the studyer to make sure that they provide an environment that is trustworthy, and the same time, they need to be sensitive to the power that they hold over participants (Bogdan 2014). Gellerman (2016) goes on to suggest that ethics are crucial in making sure that study is credible. Studyers need to avoid setting up a situation in which participants think they are friends with the studyer as this also brings a lot of challenges so objectivity and clarity are also very important to the discourse of study ethics (Hutchings 2009).

3.15.1 Confidentiality

Any individual participating in a study has a reasonable expectation that information provided to the studyer will be treated in a confidential manner and, consequently, the participant is entitled to expect that such information will not be given to anyone else (Gellerman 2016). Therefore, the studyer has the obligation to protect the identity of the participant by guaranteeing that no one will know what they specifically said during their participation. To ensure confidentiality, the studyer developed tools that did not require any participant to state their name and the participants were coded using numerical symbols. This guaranteed anonymity as studyer only quoted or referred to the number prescribed to each respondent which only the studyer knew, when analysing and presenting the findings of the study.

3.15.2 Informed Consent

Individuals participating in a study have a reasonable expectation that they will be informed of the nature of the study and may choose whether to participate (Brewer 2011). Hutchings (2009) goes on to insist that informed consent also dictates that individuals can choose to pull out of study at any time during the study. Therefore, to guarantee informed consent, the intentions of the studyer must be clear at the beginning and throughout the study purpose so that participants agree and wilfully participate. To ensure that there was consent, the studyer drafted a consent form that advised the organisation and participants of the scope of the study. After the consent forms were signed the studyer then commenced with data collection. The participants were

reminded of their rights before each interview and they were also reminded of their right to even decline responding to some questions they did not feel like answering.

3.15.3 Protection from harm

Harm during study, according to Dewan (2018) can be physical, in the form of stress, anxiety, diminishing self-esteem or an invasion of privacy. It is imperative, therefore, that the data collection process does not in any way harm (unintended or otherwise) participants (Gellerman 2016). The studyer made sure that questions asked to the respondent were as simple as possible and that they did not imply or suggest anything to do with race and gender to avoid the sensitivity of such matters. Interviews were kept short to avoid fatigue or participants getting too tired and they were conducted in comfortable settings of the participant's choice. The studyer made certain that at each level the participants were comfortable with answering the questions by giving them the liberty not to answer what they did not want to answer.

3.15.4 Obtaining permission

Obtaining permission to conduct or carry out study is one of the fundamental steps that need to be taken by a studyer prior to commencing with study (Yin 2018)". The study obtained permission to conduct study from their institution in writing and then the relevant government department. The consent forms issued out to participants also served as permission that gave credibility to the study process.

3.16 Conclusion

This chapter outlined study design, study philosophy and methodology that was used to gather data. Data gathering methods were discussed in depth and how they help with important issues of validity and reliability. The population and sample were discussed in detail. Ethical considerations were also outlined as they help with the credibility of study. The next chapter presents and analyse the data gathered from this study.

CHAPTER 4 Findings and Discussion

4.1 Introduction

This “chapter presents and analyse the data gathered by the studyer. The data will be presented using thematic analysis to help better make sense of information collated. Published sources and legislation will also be used to analyse and make sense of data.

4.2 The state of Black Entrepreneurship in the Sector

The first objective was to find out the state of black entrepreneurship in the construction sector. Participants where asked questions about what they felt was the standing of black business owners in the sector and how they located themselves in this thriving sector. Participants were also asked questions about their participation and how they related to other black business as well as all other races represented in the industry.

Black participation has been affected by a lack of coherent and efficient partnerships by emerging black businesses. Kangai (2015) noted that most budding black businesses in South Africa suffer from lack of effective partnerships with other players in the sector due to mistrust and lack of practical negotiation skills. Responding to the question describe the involvement of black businesses in the sector, one of the participants outlined that:

according to our own data base which am not sure is accurate or consistent with that of the relevant authorities, there are over 2000 black players in the construction sector of eThekwin alone. I think we just have too many individuals or scattered groups all trying to get a piece of the big pie. The associations and links we have help us to be better organised or even learn some new things from the others. Sometimes we get grouped for projects by the relevant ministry and this helps to makes sure that many of us are involved. (Respondent 4)

Whilst responding to the same question, one of the participants added that:

There is a lot of potential for black people in this industry and I see a lot of growth over the last few years. These young people with money and good education have come in and many of the clients seem to like them and they listen to their English which sounds very good but they do not have the experience that we have. I think these new young people should come and work with us more often so that we are united, and we learn from each other. (Respondent 1)

The above sentiments are consistent with Chibwe (2017) who insisted that whilst there has been an increase in the number of Black businesses in the construction sector, they remain unorganised for most of the part and this tends to be a problem given they already do not control the market. The studyer found out that there is a lot of mistrust amongst the various Black entrepreneurs and a lot of ambition towards personal gain which does not help their cause.

Women in South Africa, as with most of the world, are still very marginalised when it comes to economic activity and this is a serious cause for concern given that most women are primary caregivers in South Africa Chibwe (2017). Sanders (2017) went to further note that women are often not even part of the discourse when it comes to economic transformation of certain sectors in South Africa. Responding to the question what is the state of Black entrepreneurship in the construction sector?, One of the respondents emphasised this point by saying:

I am even surprised that you are talking to me. This industry is dominated by men. Black, Indian, Coloured and White, all these men are the same and they treat us like we do not know anything despite our education and experience. We often survive on being subcontracted by these men to do their own jobs and they often want us to do jobs that are beneath our skills level. There was a lady at the department who used to fight for us but since she left, we have been on our own. Men in this country are the ones that need the most transformation because they do not treat us well.
(Respondent 3)

The only other female Respondent also added:

some of us are lucky that we have other businesses to fall on so as much as this sector is my passion, I do not really rely on it for my survival because it is so unfair how they treat us. Sometimes you submit a tender with a brilliant unique plan only to see the men who gets it doing what you had proposed which confirms you know what to do but they will not give us a chance.
(Respondent 5)

Transformation in South Africa has been difficult because the socio-economic gap between White and Black individuals still exists and it is not feasible to expect the gap to be narrow only a few decades after independence (Goodwin 2017). Black companies in eThekweni are still finding the playing field uneven as their white counterparts seem to always get better paying jobs

and contracts. Chibwe (2017) further notes that the gap in terms of resources, knowledge and access to the best paying contracts are some of the factors that still make White players in the sector more attractive. Kennedy (2017) goes on to note that the government and the municipality of eThekweni have both awarded the biggest construction tenders to White owned companies that then sub contract Black companies to push up their BEE scores and rating.

Whilst responding to the question what is the state of the construction industry? one of the respondents answered:

The industry is very competitive but in all honestly White companies are preferred and they control the tender system in the region. White companies get all the important jobs and then they subcontract us to do the work for them at a fraction of what they are earning and at times the money is not enough we end up doing substandard jobs which they use to justify that we are not capable of doing a good job. We have even reported to the government that some of the white people have started companies that have black people as the fronts and they still get the bulk of the profits which is not fair, but nothing has happened. (Respondent 8)

White privilege and preference stretch into all the aspects of South African economy and this is what legislation has tried to verify with much success since the turn of the millennium (Kennedy 2017). The studyer found out that though there was disgruntlement amongst all those interviewed about the uneven playing field, they all agreed that White companies were more experienced and did better jobs than they did most of the time. Most of those interviewed also seemed to be of the opinion that working alongside White businesses as opposed to under them was more beneficial to them rather than working alone”. This is consistent with the findings of Anaeshi (2017) who stated that the best way to transform the economy is to encourage a synergy between Black companies and the more established White owned companies.

Although the “process to attaining transformation in South Africa has been in recent times a rather radical and aggressive process, the change and benefits were always going to be slow in coming (Klaaren 2019). Many Black business people in the sector thought that the changes in financial status as well as in getting more work would happen over night but this has not been the case and they have been frustrated by the slow progress (Chunga 2018). These findings are interesting because they show that some of the unrealistic expectations of overnight wealth and

success has left some Black businesses owners miserable and disheartened. As one of the respondents suggested:

the truth is that some of our colleagues really do not have the heart for this industry and they thought that it would be a very quick way of getting money. The reality is that it takes time to build a name in the construction sector and to be appreciated by those who give us work. In any case, most businesses do not flourish overnight yet our colleagues want to accumulate the wealth that took many decades to gather for the White man over night (Respondent 9)

4.3 Policy frame work in the Construction Sector

The second objective was to find out the knowledge levels of policies and laws by Black owned companies in the Construction sector. Participants where asked questions about what they knew or understood about transformation policies and laws as well as the laws governing the sector. They were also asked to answer questions about levels of education which also plays a role in understanding some rules and regulations.

For anyone wanting to be successful in any business venture it is very important to know the legal framework and policies surrounding any business sector (Anaeshi 2017). In South Africa, the Black economic Empowerment Act is an essential and powerful tool for the inclusion and participation of Black people in the economy after independence (Fiet 2014). The studyer found out that most Black individuals involved in the construction sector of eThekweni have no clear understanding of the policies involved. Whilst responding to the question on policy frame work, one government official suggested that:

many of these people do not understand the policies and laws of the construction sector. You individuals who are not even properly registered wanting to submit bids for tenders and that just does not get anyone anywhere really. Without understanding the rules, it is then very difficult to be taken seriously as they always end up doing the wrong things (Respondent 12).

The above statement shows that the government acknowledges that some individuals do not understand the rules and regulations and this lack of understanding is detrimental to their development. Kangai (2015) noted with concern that there is general lack of awareness of rules

and regulations and this tends to not work in the favour of Black entrepreneurs. Only 4 participants mentioned that they had a clear understanding of the rules and regulations of the sector and this shows a very low appreciation of important laws and policies.

Whilst responding to the question do you understand the rules and regulations of the sector?, one of the respondents replied that:

most that language they use is very technical and very difficult to understand for us. Maybe they should try to translate some laws in local languages and not just English language. This would help us understand some of these things better. (Respondent 6)

The above is consistent with the findings of Goodwin (2017) who noted that the construction sector in South Africa surprisingly has some of the least educated entrepreneurs based on the false belief that building does not need much schooling. Therefore, this has hindered the progress of Black business owners in the sector because some of them cannot comprehend the laws let alone read and write.

A respondent (Respondent 11), who is a government official, indicated that the government has done extensive work in trying to make certain that they improve and increase the knowledge that Black entrepreneurs have in the industry. He however lamented the lack of willingness on the part of most of these entrepreneurs to attend workshops to learn more about the sector policies and procedures.

4.4 The challenges being faced by Black owned Companies in the construction Sector

The third objective was to find out the challenges being faced by Black owned companies in the Construction sector. Participants were asked questions about the challenges

As already been suggested, there are a lot of obstacles that Black companies are faced with in the Construction sector. Goodwin (2017) noted that one of the unseen challenges of the fall of apartheid regime has been the influx of foreign businesses in South Africa as a result of the lifting of sanctions on the Southern African country. The studyer found out that not only do Black companies have to compete with the already established and traditional White companies in the construction sector, they now must also compete with foreigners and foreign companies.

Responding to the question what are the challenges you are facing in the sector? a respondent replied

it is increasingly difficult to get tenders and contracts because of the influx of foreigners from this region. These foreigners, especially from Zimbabwe and Malawi have very good skills and knowledge of the business and they are generally well spoken. More importantly, they are always willing to do the work for far too less money and they end up getting contracts and being awarded tenders which does not work in our favour. I think someone needs to control the number of foreigners to protect local businesses because it is very frustrating what is happening to us because of these foreigners Respondent 6.

South Africa's challenges with foreign migrant labour, particularly from the region, is well documented. Goodwin (2017) concluded that though South Africa is Africa's second largest economy, it is by far the most versatile and lucrative economy making it the number one destination for other Africans looking to earn a decent living. For instance, it is believed that between 2 and 3 million Zimbabweans are in South Africa doing various jobs (Kennedy 2017). These are some of the migrants that are involved in the construction sector. According to one of the participants in the study (respondent 6) these foreigners not only do jobs for below industry rates, they are also very highly skilled making them very attractive to clients.

Another respondent, who is an expert in the sector, opined that:

perhaps the greatest threat to both White and Black players is coming from foreign companies. Initially it was the European companies but a lot of them slowed down in the last decade due to the global recession and a lack of trust in our political leadership. The Chinese now are essentially taking over the construction industry and they are posing the greatest threat to Black companies. If Black fortunes are to turn around, the government need to limit as much as possible the involvement of the Chinese in the economy. (Respondent 14).

The above sentiments are consistent with the sentiments of Fatoki (201), who opined that the major obstacle that Black owned companies have to contend with has to do with the issue of financing of their small concerns because they do not have necessary assets to guarantee bank loans which are essential to do meaningful business. So, when foreign companies that are backed

by heavy financing come into the picture, it is very difficult for black companies to compete, as Respondent 1 outlined to the studyer.

Equipment in construction sector is very expensive and as result most individuals find it hard to acquire standard tools which are essential to producing standard work. One of the respondents, a government official stated that:

The other challenge we face is that when we do facilitate for the promotion of Black construction companies but they fail us. Just 3 weeks ago some of the officials called us to complain about substandard houses that black contractors had built for municipality workers and I am afraid to say they had to demolish and give another reputable company the contract to re-do the job which is costly now for us. Until their quality can be trusted, it is very difficult to give them meaningful projects, perhaps they are better off with smaller ones for now (Respondent 11).

Mathee (2016) found that the challenge in Africa with entrepreneurs is that their goods and services are not competing with those of traditional local manufactures and foreign goods, particularly cheap goods from China. Most of those interviewed suggested to the studyer that quality of service delivery on their end could be improved. However, this is not possible without adequate financing for Black owned construction companies.

Another major challenge that Black owned companies are facing have to do with corruption and nepotism. Corruption is a problem that is embedded in the African culture of governance and is perhaps one of the greatest obstacles to economic progress (Mathee 2016). All the questionnaires returned to the studyer indicated or reported corruption of some sort as a major challenge in the industry. Commenting on the issue of corruption, one of the participants in the study outlined that:

you have companies that do not have any offices or workforce getting top tenders whilst we are over looked. These shelf companies are owned by corrupt government officials and when they award each other the tenders they go on to sub contract us to do the actual work at a very minimal fee. It is hard to get any jobs out there, so we are forced to accept their terms so in other words we are also part of the problem. But what can we do with bills and workers to pay? (Respondent 9).

In a study of the state of economic participation of Black people in South Africa, Sharma (2015) noted that Black Economic Empowerment schemes have been hijacked by a few rich elite Black individuals who control everything for their own benefit. Therefore, as the studyer found out, corruption is as big a threat to Black companies' success as is White dominance in the construction sector. This is because all respondents spoke passionately about corruption as they did about the uneven playing field with White counterparts.

4.5 Recommendations on what needs to be done to improve Black business in construction sector

The fourth objective was to get recommendations from people in the industry as to what they think needs to happen or to change for them to succeed in the industry. Participants were asked questions about their recommendations in terms of policy and behavioural change for them to improve their performance in the sector.

There has been a lot of literature on what needs to be done to improve the visibility and participation of Black people in the economy of South Africa and Africa in general. These studies have been necessitated by the realisation that well after independence, most Africans are still to realise economic emancipation and as Kennedy (2017) outlines, the biggest problem is that most studies are generalised and look at macroeconomics rather than specific isolated industries. To address this, the studyer asked questions on what needed to be done to improve the standing of Black businesses in the construction sector of eThekweni. All respondents to the questionnaire suggested that there was need to break the monopoly of White businesses on large contracts”.

Responding to the question what needs to be done to improve Black businesses?, one of the participants responded:

Before we talk about anything else it is important to realise that the biggest challenge we have as Black people is that we are not united like the Whites. The Whites work together and you get them calling a colleague to say I cannot do this work you are the expert do it and get paid. With us one would rather do a job that compromises their reputation than give another person the opportunity to show case their expertise. We need to form meaningful partnerships that benefit

our people. Until we unite, we will never rise collectively. We need an economic revolution and do away with this mindset of individuality that colonialism brought to us (Respondent 2)

The “above sentiments are consistent with Sharma (2015) who suggested that the colonial legacy of divide and rule is still strong amongst South Africans and seem to have fostered long lasting individuality and tribalism that does not allow Black business owners to work together. The studyer observed that there is deep suspicion and a general lack of trust amongst Black business owners in the construction sector of eThekweni and this seems to hinder collective progress.

One of the strongest challenges that Black business are facing in South Africa have to do with finance and capital to fund operations. Sanders (2017) has argued that without any financial backing, it is very difficult for Black business to fund operations and this results in them taking up very small projects that they can fund from their own pockets. All respondents to the questionnaire also strongly suggested that financing of operations was a strong challenge. One of the respondents mentioned that:

if you look at those third world countries that have succeeded in improving the participation of natives in the economy, they have set up govern owned or backed banks that make sure that individuals can access loans to carryout projects. Of course, there would be need to have a comprehensive system in place that actually thoroughly checks to see the potential of each idea and then provides expert advise on how to manage funds. There is need for a bank that is heavily backed by the government with the sole purpose of helping Black business because if you look at the cost of equipment used in construction you will realise something needs to be done very soon to give them a chance (respondent 5.)

The above statement shows that much needs to be done to improve the access to financial resources by Black businesses in the sector. Chibwe (2017) has suggested that institution like the Africa Development bank (ADB) can be good external solutions to helping out with development projects as they have proved to be successful in other parts of the continent.

The issue of corruption in South Africa and Africa in general is a cancer that has hindered any meaningful development after the attainment of independence by African states (Kangai 2015).

The studyer heard about a lot of corruption in the construction sector that many Black entrepreneurs felt was hindering their progress. An expert who participated in the study highlighted the need to reduce corruption by coming up with independent expert commissions that handle tenders on behalf of government, municipalities as well as private entities. This system would vet all bids and come up with solutions that include a number of players without compromising the goals and expectations of the clients. Another respondent also commented that:

we simply need to hold officials to account. I do not understand why we suffer when we elect the same officials into office in the first place. We need to make sure that we hold them to account on these matters and have them understand that corruption cannot be tolerated. There is need to make sure that we change the political system in the country so that we can start to see change. Until then people will continue to suffer whilst the few individuals enrich themselves (Respondent 5)

The participation of foreigners in the economy has also been another issue that has been topical in South Africa. Sanders (2017) noted that South Africa has so many migrant workers who range from semi-skilled to highly skilled and they are willing to work for less than what South Africans would accept. This causes a challenge because from a business perspective it would make sense to get qualified individuals to do construction work at a very low rate.

Whilst responding to the question what needs to be done to improve the participation of Black businesses in the construction sector?, one of the participants opined that:

first of all, we need to control the influx of semi-skilled and skilled labour in our country. Then the ministry needs to come up with standard minimum rates in the sector and make it a criminal offense to pay less than those rates for jobs. These measures will guarantee our success (respondent 9)

Whilst responding to the same question, a government official suggested that:

this whole talk of doing away with African migrants and the Chinese is not in line with our free market policies and is in a way, very bad protectionism. My suggestion is that we come up with policies that combine local business people and foreigners on all projects awarded to foreigners

to make sure that they get financial reward and knowledge that will then help them compete with the others. That is a good way of making sure they start asserting their dominance on the sector (Respondent 7).

The dominance of White owned companies in the construction industry of eThekweni and the country as a whole is a cause for concern for Black entrepreneurs. Anaeshi (2017) observed that there are industries such as finance, mining and construction that have remained largely the concern of White men and there seems to be a blind eye on these institutions by government officials. One of the respondents suggested that:

it is time to do away with selective application of our transformation policies. The policies are clear that Black people should be included in all sectors of the economy and this has worked in many other industries. My suggestion is that they (the government) force White business to incorporate Blacks in all their projects thereby ensuring Black people have a piece of the pie and they also learn from the more established White counterparts. (Respondent4)

4.6 Conclusion

The chapter presented data that was gathered from participants through questionnaires and interviews”. It also used information from previous academic works to analyse the data and make sense of findings.

CHAPTER 5 - CONCLUSIONS AND RECOMMENDATIONS

5.1 INTRODUCTION

This “chapter presents the overall findings of the study from the literature review and also from the primary study that was carried out. The chapter also draws conclusions based on the findings and the study process. Conclusions will be drawn from the data and areas of further study will be discussed.

5.2 Findings from Primary study

5.2.1 The state of Black entrepreneurship in the Construction sector

The studier found out that there are many Black business in the construction sector and this shows that they have made good progress in the industry. However, most of these business work as single entities rather than together so their operations are somewhat isolated from each other. Black business owners need more experience so that they can compete with their counterparts.

The industry is still very much dominated by traditional White companies that get the bulk of contracts. These White companies will often sub contract Black companies to do some work for them to satisfy BEE requirements, but they often pay very little money. Black women are struggling to establish themselves because the industry is still male dominated.

Tenderpreneuers have had a negative impact on the growth of Black businesses as they are just middleman who make quick money by not actually doing any work themselves at the expense of properly registered and capable Black companies. Corrupt officials also have a negative impact on the state of Black companies because their activities are frustrating the efforts of Black owned businesses by demanding bribes and giving work to tenderpreneuers.

5.2.2 Knowledge of legislation and laws by Black businesses

The studier found out that most of the Black operators in the construction industry do not have a clear understanding of the rules and regulations that they must work with. Some of the businesses are not well registered and do not comply with safety standards, amongst other

important rules. This lack of appreciation of rules and regulations often disqualifies black businesses when it comes to the awarding of tenders.

The general level of education is not very high amongst Black operators and this is part of the reason why they experience challenges when it comes to getting jobs. Some of the business owners do not understand important legislation such as BEE and this does not put them in any position to take advantage of what they are entitled to by law.

Most Black owned construction concerns in eThekweni lack proper safety and health assessment. They also have inadequate and outdated machinery that exposes workers to a lot of risk especially because they work long hours. There is a lot of pollution of the surrounding areas by businesses when they carry out construction making them very unpopular with local communities

5.2.3 The Challenges being faced by Black businesses in the construction sector

The influx of semi-skilled and skilled labor from the region has greatly impacted the participation of native Black people in the construction sector as their counterparts will work for very low rates. Furthermore, the involvement of international companies, mainly from China, has been a serious challenge for Black businesses as they do not have the resources to match those of the foreign competition.

Accessing loans and financing in general are huge challenges that have proven an obstacle for Black businesses given the high cost of equipment used in the construction sector. These challenges often result in Black owned business producing substandard work which has ruined their collective reputation. Corruption is also a major challenge. There are a lot of shelf companies that are controlled by government and municipality officials are awarded tenders only to ask the companies to do the actual work for a very minimum fee.

There is a lack of mentorship for Black businesses in the sector and this tends to affect long term planning and dissemination of vital information that their competitors have. Tribalism is rife in the sector leading to the further mistrust and isolation of individuals.

5.2.4 Recommendations on improving Black business in the construction sector

The studier found out that whilst it is the culture of White companies to work together or recommend each other for jobs they cannot handle, most Black companies work as separate entities so there is need to encourage them to work together. Respondents bemoaned the lack of access to funding and suggested that the government needed to step in and guarantee their loans so that they could start competing with traditional players in the industry.

The respondents also called for an end to corruption to increase their chances of getting contracts. There were suggestions of independent commissions to handle tender processes much more effectively to benefit everyone in the industry. Important legislation such as BEE should be implemented fully if transformation in the sector is to be realized.

5.3 Conclusion of the study

5.3.1 The state of Black entrepreneurship in the construction sector of eThekwin

Although eThekwin has many Black companies that are operating in the construction sector, they are not getting as much work as they could. This is because they are not well organized and they tend to work as single isolated entities rather than together as the traditional companies in the sector do. White traditional companies still dominate the industry and get most of the bigger contracts. They only engage Black businesses to satisfy BEE requirements and often pay very little for services rendered to them. Black women appear to be worse off because the construction industry in South Africa is dominated by men.

5.3.2 Understanding of policies and legislation by Black business owners

Most Black business owners do not know or understand the policies of the construction sector. This often leads to being disqualified from bidding for tenders. Some of the companies are not fully registered which had legal implications". The levels of formal education amongst black business owners are not high and this makes it very hard for most of them to understand policies and procedures.

5.3.3 Challenges being faced by Black businesses

The biggest “challenge being faced by Black business owners has to do with corruption and corrupt officials who take kickbacks or award tenders to shelf companies thereby depriving deserving black owned companies of business. White dominance is still very much visible in the sector because of the capacity constraints of Black companies to carryout big projects and the reluctance of officials to implement transformation policies in the sector. The influx of regional and international companies in the lucrative local construction sector has also significantly impacted Black companies negatively as there is increased skilled competition.

5.3.4 Recommendations on improving Black business in the construction sector

Recommendations from the respondents, as the study found, where very subjective and at times emotional. Therefore, the issue of transformation of the construction sector is a very sensitive subject that should be approached with great caution. There is need to fully implement policies if there is to be meaningful change in the status quo of the construction industry. Furthermore, it is important to make sure that Black companies get adequate financing to make sure that they can compete on the same level as their counterparts.

5.4 Recommendations

The study found that although there has been a significant and gradual increase in the number of black companies in the construction sector of eThekweni, they are yet to compete on the same level as their traditional White counterparts. Therefore, there is need to support Black owned companies financially if they are to be competitive. This can be done by setting up a special fund by the relevant ministry or guaranteeing bank loans for the businesses by government.

Corruption is rampant and has led to slow progress in development of Black companies in the sector. There is need to set up professional and technocrat committees to oversee the tender process for government and municipality with a deliberate bias towards promoting small players in the sector. This will make sure that more Black owned companies get awarded tenders to carry out projects.

There is need for Black companies to work together if they are to stand a chance against their competitors. Therefore, cooperatives or clusters of Black companies should be formed and this

would increase the pool of resources making Black companies more favorable when bidding for tenders. There is also need to limit the involvement of foreign players in the construction industry so that Black companies are also given a chance to showcase their talents.

One of the biggest challenges, as the study found out, is the reluctance to force big companies in the construction industry to comply with economic transformation rules. They should be compelled to partner with Black companies on all projects thereby sharing costs of the projects as well as passing down knowledge from years of experience. Furthermore, there is need for government to come up with measures that deliberately promote the interests of women in the sector to break the monopoly of men and this will also help to encourage younger women to take up construction as a full-time profession.

5.5 Areas of further study

An interesting area of study would be around the issue of women's participation in the construction sector in South Africa. This is because there are very few of them and not much is known about their progress and struggles. Another area of interest is the impact of foreign companies on the construction sector. This is because their participation has increased rapidly in a short space of time". The implementation of transformation policies in the construction industry is also a good area of further study because construction sector remains one of the few industries where not much has happened in terms of enforcing policy.

5.6 Conclusion

This chapter looked at the findings of the study. It discussed findings from various sources of literature and then more importantly, data gathered by the study process. Conclusions were drawn from the data that was gathered and then recommendations were made. Areas of potential further study that were of interest and came up during the study were also presented.

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09 December 2019

Mr Sonwabile Aubrey Tshalata (217071842)
Graduate School of Business & Leadership
Westville Campus

Dear Mr Tshalata,

Protocol Reference Number: HSS/0155/018M

Project title: Black Entrepreneurship Development in the Construction Sector in eThekweni Municipality.

Approval Notification – Amendment Application

This letter serves to notify you that your application and request for an amendment received on 02 December 2019 has now been approved as follows:

- Change in Supervisor (New Supervisor: Dr E Mutambara)

Any alterations to the approved research protocol i.e. Questionnaire/Interview Schedule, Informed Consent Form; Title of the Project, Location of the Study must be reviewed and approved through an amendment /modification prior to its implementation. In case you have further queries, please quote the above reference number.

PLEASE NOTE: Research data should be securely stored in the discipline/department for a period of 5 years.

Best wishes for the successful completion of your research protocol.

Yours faithfully

.....
Dr Shamila Naidoo (Acting Chair)

/dd

Cc Supervisor: Dr E Mutambara
cc Dean and Head of School: Prof Ana Martins
cc School Administrator: Ms Zarina Bullyraj

Humanities & Social Sciences Research Ethics Committee



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