



ITP Research Form

ITP: **South Africa 2014**

Faculty Advisor: **Professor Karl Lutz**

Research Group Members: **Sam Aintablian, Rosalyn Essen, Jason Fried, Jenny Wang**

Paper Title: **The 2013 Broad-Based Black Economic Empowerment Act Amendments: The Impact on Foreign Direct Investment, Business Development and Economic Growth**

Abstract:

Our research suggests that BEE is a tremendously flawed policy that if implemented perfectly would stifle economic growth. On the other hand, when implemented poorly, as it has been, this policy opens the door for widespread corruption and stifles economic growth. This paper examines the history and modifications to BEE policies with particular focus on the 2013 Amendment Act and BEE scorecards. Section I recounts the development of BEE policy in South Africa, culminating with the adoption of the Broad-Based Black Economic Empowerment (B-BBEE) Act of 2003. Section II details the shortcomings of the original Act, which led to the Broad-Based Black Economic Empowerment Amendment Act of 2013—which is discussed in Section III. Section IV provides a critique of the amendment efforts. Finally, Section V concludes by providing recommendations for the future of B-BBEE in South Africa.