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LARGE FIRMS AS THREATS TO SMALL BUSINESS SURVIVAL IN SOUTH AFRICA: AN EXPLORATORY LITERATURE REVIEW

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ABSTRACT

Objective: This study examined how large businesses negatively impact small business survival and growth in South Africa. It aims to expose harmful practices by large firms that cause small businesses to fail. Thus it seeks to challenge a commonly held assertion that larger firms are predisposed to support smaller firms to achieve growth and survival objectives. **Research Design & Methods:** A theoretical literature review methodology was used to conduct this study. **Findings:** The findings indicate that many of the threats from South African large firms targeted at small, micro and medium enterprises (SMMEs) emanate from the advantage of their size, market dominance, and close links the corporate business sector enjoys with the government. **Implications & Recommendations:** The study argues that larger firms in South Africa are as much of a catalyst for the demise of SMMEs as they can also be beneficial. Therefore it recommends an effective administration of the Competitions Act laws to protect SMMEs and develop new policies that seek to build SMMEs in their capacity and not as a complementary sector to big companies. **Contribution & Value Added:** The study contributes to the overall discourse about the role of the large business community in supporting the SMME sector in the country. It thus adds value towards broadening an understanding of the threats to small business survival in South Africa and finding solutions of how they can be supported to become viable.

Keywords: growth; large firms; SMMEs; threats; unfair trading practices.
JEL codes: L26, M13, N87
Article type: research paper

INTRODUCTION

Various literature laments that most small South African firms die prematurely (e.g. Abor & Quartey, 2010; Donaldson & Pauceanu, 2017; Dzansi, 2004; Olawale & Garwe, 2010). Common reasons cited for these deaths focus on small business internal operational struggles and government-related weaknesses, including poor and inconsistent small business policy implementation, provision of standard SMME support strategies without paying attention to specific sector needs, low level of education among entrepreneurs and lack of adequate financial resources, (see Cant et al., 2014; Tustin, 2015). SMMEs also fail because of a lack of marketing knowledge and management skills, social influences and human resource matters (Cant & Wiid, 2013). Although these issues are pertinent, an established pattern in mainstream small business literature seems to focus much on small business internal deficiencies while neglecting to incorporate large firms' harmful business malpractices as one of the significant factors causing small businesses to fail. This discourse tends to sweep aside practical concerns of SMME owners citing large business and government behaviours, including triggering cash flow problems through late payments and red tape, as significant threats to

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survival and growth (Jamieson et al., 2012). This sentiment was also expressed by Furawo & Scheepers (2018). They reported that many small firms in the country are concerned about large business anti-competitive practices that threaten their sustainability. Therefore, it is argued that failure to spotlight how large businesses can be both a threat and a positive factor to SMMEs undermines efforts to understand why many SMMEs fail. Moreover, it has resulted in the development of policies that, among other deficiencies, fail to provide clear and specific guidelines on how to protect SMMEs from large business harmful practices.

Therefore, this study aimed to review and account for how large firms threaten small business survival prospects. The purpose is to discuss threats to small business survival in the country and debunk a myth that larger firms are predisposed to behave ethically and support smaller firms in realising their growth and survival objectives. While the study exposes how large businesses can cause SMMEs to fail, the intention is not to argue for a dissolution of the two's working relationships. On the contrary, the argument is that SMMEs need the cooperation of large firms to survive.

This argument is necessary considering that large firms' dominant size and general influence in the business sector reward them with distinct privileges and power over smaller entities. The government also suggests that addressing small business welfare issues is a shared responsibility between itself and the corporate sector. In support of this view, the Parliamentary Monitoring Group (2018) stated that big businesses and government must help small enterprises to grow instead. Government has to support SMMEs as part of an overall strategy to grow the economy. On the other hand, big companies should strive to train, upscale and support SMMEs because they receive incentives from the government (Parliamentary Monitoring Group, 2018) and other commercial reasons such as creating a geographically dispersed distribution network for their products. Supporting small businesses can also be part of their corporate social investment activities (Urban-Econ Development Economists, 2019). The government also uses regulatory instruments such as Broad-Based Black Economic Empowerment (B-BBEEE) clauses to force large firms to support SMMEs by providing training and consultation services (Furawo & Scheepers, 2018). They also lobby these big companies to incubate SMMEs, guaranteeing them preferential supply contracts and access to open markets. Because of these collaborations, one can conclude that both government and large firms are aware of and accept their shared responsibility to address small business concerns.

However, a general perception that large firms are aware of and accept their shared responsibility to address small business concerns seems to have influenced discourse that largely ignores or under-reports their harmful and anti-competitive behaviours against SMMEs, as previously stated. Thus there is a minimal discussion about corporate actions and how they contribute to small business failures in South Africa. In the context of this study, small business failure is when a business operation fails to meet the requirements of a sustainable business (Bushe, 2019), such as the inability to meet credit obligations, maintain enough working capital, pay employees, and compete in chosen markets, among others. Moreover, a few existing studies that make inferences about small business failure and larger firms tend to do so with positivist bias. They only highlight the absence of or provision of limited support to the small business, for example, the inability to provide mentorship support, timeous payments, create working partnerships, consultation, incubation, or preferential supply contracts to SMMEs (see Bhorat et al., 2018; Mathibe & Zyl, 2011; Timm, 2011). Others emphasise how large banks make it onerous for SMMEs to access financial assistance (Wiid & Cant, 2021). In doing so, some of these practices appear as mere mal-performances when, in fact, they are harmful practices pursued by these large firms detrimental to the plight of SMMEs. This anomaly is concerning because if the problems causing the high failure rate among SMMEs in South Africa are addressed effectively, there is a need to explore and expose all causal factors to develop appropriate interventions. Therefore, the following research questions were formulated and investigated to account for the abovementioned issues, 1) what is the relationship between large firms and SMMEs?; 2) what large business practices threaten the survival and growth of the small business?; 3) what recommendations can be given to protect SMMEs from the harmful large businesses business practices?

This article is divided into five sections. The first section covers the introduction to the study and the research questions. This is followed by the literature review section. The third part explains the research methodology applied in the study, while the fourth section discusses the results. Lastly, the study presents a conclusion of the results and suggestions for further research.

LITERATURE REVIEW

This section covers the theory of study, SMMEs and larger firms' definition, the relationship between SMMEs and larger firms, followed by an analysis of large business practices that threaten the survival and growth of the small business and then discussion, recommendations, and conclusions.

Resource Dependency Theory

This study applied a resource dependency theory as a lens for analysing and integrating the literature related to large firms as threats to small business survival in South Africa. A resource dependency theory acknowledges the risks involved in external relationships, which can be viewed as a control mechanism (Street & Cameron, 2007) for accessing resources vital for the success or survival of an organisation. It argues that firms depend on exchanges with other organisations in their environment to obtain access to scarce resources (Hessels, 2008), such as cash, markets, and technology, because firms cannot create all their necessary resources internally to enhance operational capabilities. However, this dependence, in turn, brings uncertainty, as the flow of resources from outside actors could stop due to those actors' wishes, failures, or both (Craighead et al., 2020), thus hampering the efficiency and effectiveness of organisational performance, thus posing a risk to survival and growth. Therefore, this approach provides a sound theoretical lens for interrogating the actions of large firms towards undermining the operational capabilities of SMMEs, in as much as they withhold support, trade unfairly, and promote their interests over those of SMMEs, in the context of their working relationships. This view is in line with averments in many literature sources that SMMEs need and depend on the support of their large business counterparts to survive, suggesting that the dependency relationship is immutable.

Defining Small and Large Businesses

SMMEs operate on a small scale with few or no employees and are often located in local communities. However, despite their commonality, they are difficult to define. Globally and in South Africa, there is yet to be a commonly agreed definition of a small business because of the ambiguities of how and what dimensions are appropriate for measuring business size. Nonetheless, in South Africa, a small business is officially defined as a separate and distinct business entity, including cooperative enterprises and non-governmental organisations, managed by one owner or more, including its branches or subsidiaries, if any, and is predominantly carried on in any sector subsector of the economy (Department of Small Business Development., 2019; South Africa National Small Business Act 102 of 1996). Such firms vary from street vendors to enterprises employing less than 200 people (Tustin, 2015) and firms hiring between 0-250 employees (Ardic et al., 2011; Wiid & Cant, 2021).

Contrastingly a large business is any firm that cannot be classified as small. Its size and operational characteristics are dissimilar from those of SMMEs. They employ 250 or more people (OECD Data, 2020) and typically possess a larger asset base, a formal management structure run and supervised by the owners through appointed agencies. However, like SMMEs, the definition of a large business lacks universal consensus even though it appears that each country or territory considers any size of business beyond the upper SMME threshold to be a large firm.

The above definitions connect the relationship between these two sets of firms in how they complement each other to influence economic activities in the country. Relative to claims that SMMEs are engines of economic growth stemming from their capabilities to harness all grassroots entrepreneurial initiatives (Chimucheka, 2013), larger firms, on the other hand, control, dictate and set economic standards by having outgrown their 'smallness'. This further suggests that they can be viewed as SMMEs that have outgrown their size, capacity, and productivity levels. Their economic and geographical scale of influence transcends local boundaries. In that sense, they have also acquired economic and political leverage to set and influence business conduct rules in an economy. A case in point is that in South Africa, while big business leaders serve on the Economic Planning Commission that advises on the national economic policy (Spicer, 2016; see also Michie & Padayachee, 2019) for big business influence), SMMEs' participation in such forums is hardly evident. Hence, it can be argued that large firms work closely with the government and exert pressure to pass regulations in their favour while neglecting SMME concerns (Masroor & Asim, 2019; Urban, 2018). As a result, large firms have a more significant foothold in all economies, suggesting an unequal relationship with SMMEs.

Relationship between SMMEs and Larger Firms

Both SMMEs and large businesses make up every economy's business structure, and their fates are intertwined. This makes their interaction and interdependence inevitable. According to Jamieson et al. (2012), the relationship between large and smaller businesses is symbiotic. While a big company can give SMMEs access to more business opportunities and help raise their business profiles, SMMEs, in turn, repay large companies by providing niche, flexible and cost-effective approaches to fulfilling specific requirements. Moreover, the interactive relationship motivates SMMEs to emulate and draw positive lessons from large firms that help them achieve their growth objectives. Also, some big businesses contract SMMEs to supply specific goods and services (Chimucheka, 2013) and provide mentoring and business management advice (Furawo & Scheepers, 2018). Overall, they benefit from larger firms' level of economic stability in the entire economy, a particular sector, industry or geographical area. These positive contributions toward SMME welfare are laudable as they enable SMMEs to grow markets, gain more income, acquire better business management skills and leverage their innovation capital for survival.

However, large firms engage in some practices that prejudice SMMEs' survival and growth prospects despite their laudable contributions. In many instances, these harmful practices have resulted in small business closures, loss of business opportunities and innovations (see Mary, 2019; Njilo, 2019), and reduced growth and competitiveness. Thus, their status as a threat to short business survival cannot be underestimated or subdued under the widespread view that they support SMMEs.

Large Businesses Practices that Threaten the Survival and Growth of the Small Business

Large companies engage in various business practices that endanger the welfare of SMMEs. The following discussion covers some of those harmful practices that threaten the survival and growth prospects of SMMEs.

Leveraging of Dominant Capabilities for Anti-competitive Behaviours

Qaqaya & Lipimile (2008; xvii) opine that abuse of a dominant position is one type of anti-competitive conduct prevalent among large firms, leaving smaller ones vulnerable. Using their dominant positions, large firms deprive smaller ones of enough bargaining power to demand a fair share of benefits from trade agreements, like getting reasonable prices for their products. Loss of income from such unfair trading relationships causes SMMEs to fold up.

Creating Barriers to Entry into Specific Markets

Chimucheka (2013) further observed that corporate entities could use market entry barriers to block new SMMEs from competing. This can be through selling similar or substitute products at a low price that SMMEs find uneconomic to stay out of the market or fold up. For example, in 2015, the Competition Tribunal found Media24, a large print media company, guilty of pricing a community newspaper competitor, Gold-Net News (GNN), out of the market (Parliamentary Monitoring Group, 2018). In the same vein, (Urban, 2018) remarked that the local market structure is mainly oligopolistic and inherently hostile to SMMEs who are prevented from entering by creating high entry barriers.

Unfair Trading Practices

In the South African parliamentary meeting examining the elbowing of small enterprises by big companies in the telecommunication sector (Parliamentary Monitoring Group, 2018), it came out that

SMMEs also suffer from the following harmful and bullying tactics by large businesses, 1) big businesses tended to solve disputes between themselves and small enterprises through litigation because SMMEs could not afford to pay for the litigation cost and would abandon the process leaving large firms unscathed; 2) unfair dealings with large firms often left the small businesses blacklisted and sometimes retrenching staff. While blacklisting diminished the chances of accessing banks' funds, retrenchments deprived SMMEs of the human capacity to produce more and grow the business; 3) large firms poached experienced employees from SMMEs as they can offer better pay and working conditions; 4) They neglected their contractual responsibilities and dismissed existing business relationships willy nilly.

Bhorat et al. (2018), in a working paper examining the constraints on growth and performance in South Africa, also found the following large business practices that negatively impacted on SMMEs, 1) none and late payment of services or goods supplied triggering cash flow problems in SMMEs. Considering that SMMEs rely more on self-financing SMMEs as they are often deemed not creditworthy by lending agencies, the long delays in settling payments affect small businesses' liquidity. The challenge is that when SMMEs follow up with big companies about outstanding payments, these large entities blackmail and threaten to end the contracts (Parliamentary Monitoring Group, 2019), leaving SMMEs vulnerable to losing both business and cash; 2) making unreasonable demands such as acquiring specific accreditations which are expensive. Although receiving these can result in long term strategic advantages and many SMMEs, this can merely pile up operational costs (Ngarachu et al., 2017), which never be recovered if the business fails; 3) Absence of long-term contracts which deny SMMEs operational stability. Without these long-term contracts, SMMES remains uncertain about the future and cannot plan or invest strategically, thus inhibiting growth potential. Mahambehlala (2019) alternatively claims that in South Africa, smaller firms, mostly if owned by black people, can rarely develop productive linkages with the large-scale sector. This suggests that large firms can use race to segregate when choosing trade partners; 4) collusion among big firms to impose constraints to increase or protect their collective market share. Buthelezi et al. (2018) opined that these practices further explain how large firms in South Africa have been able to keep oligopolistic markets in specific industries by killing any potential SMME competition since 1994. However, aggressive market behaviours by large firms against SMMEs seem unnecessary. Many SMMEs in the country do not intend to compete but rather complement larger firms' economies' efforts (Dzansi, 2004; Parliamentary Monitoring Group, 2018). Thus they scarcely bring direct competition to large business interests. They are likely to trade in niche markets neglected by larger entities and strive to become integrated into big business setups as part of the supply chain; 5) Some firms, such as South African Breweries (SAB), engage in exclusionary behaviours where they hoard stocks and refuse to supply their competitors. Besides, South Africa Breweries was also accused of setting conditions and pressuring suppliers or customers not to deal with competitors. This undue pressure deprives SMMEs of the freedom to engage in free trade to maximise potential benefits.

Expropriating Small Business Ideas/Innovations

SMMEs are also susceptible to larger firms expropriating their business ideas or product innovations. Numerous cases have arisen in South Africa that pitted entrepreneurs and SMMEs against large firms highlighting the risky nature of individuals and small business innovations when dealing with the corporate sector. For example, as reported on various social media platforms (Mary, 2019; Njilo, 2019), *Woolworths*, a retail corporation in the country, copied a baby carrier design and an emerging entrepreneur, *Ubuntu Baba* and commissioned production in China to sell in the domestic market. This conduct resulted in the entrepreneur losing both the innovation asset and the potential to earn income for the business. In another case, MTN and Standard Bank were charged with intellectual property theft over a credit card security technology patent they illegally took over from *3MFuture*, a South-Africa based small technology company. On litigation, the small technology won compensation (Forster, 2014). However, the irony is that some claim that South Africa's innovation is suppressed by the failure of small businesses to form strong linkages with larger firms (Small Enterprise Development Agency (SEDA), 2016). Arguably, this view fails to acknowledge the dangers of pursuing relationships with large firms among SMMEs regarding innovation collaborations.

METHODS

Because it sought to theoretically review a topic of interest, this study took a systematic exploratory literature review methodology. According to Wahono (2015), literature review methodology is a "process of identifying, assessing, and interpreting all available research evidence to provide answers for specific research questions". Similarly, Snyder (2019) observed that literature reviews help provide an overview of a specific issue or research problem, create research agendas, identify research gaps, or discuss a particular matter. This aligns with the overall purpose of discussing an element of large business behaviours that pause threats to small business survival and growth. Thus, using a systematic quantitative assessment technique" (SQAT), the researcher purposefully scouted, collected and systematically synthesised existing literature from journal articles, working papers, conference papers, websites and parliamentary reports to discuss the question under study. Pickering & Byrne (2014) proposed the SQAT approach, which recommends five steps when conducting a literature review, as outlined in Table 1. The inclusion criteria were focused on the relationship between large and small businesses. Query phrases used to search for literature were 'large business-small business relationships' and 'large business support for SMMEs'. After generating a host of literature and intense study, 41 sources were deemed suitable for inclusion in this study. The summary of the sources is presented in Table 2.

The literature review conducted is evident in all sections of the study.

Table 1. Description and Application of SQAT

Steps	Application in the Current Study
Define topic	Large firms as threats to small business survival in South Africa
Formulate research questions	What is the relationship between large firms and SMMEs? What large business practices threaten the survival and growth of the small business? What recommendations can be given to protect SMMEs from the harmful large businesses business practices
Identify keywords	large business-small business relationships', 'large business support for SMMEs',
Identify and search databases	ProQuest/WoS/Google Scholar/Google
Read and assess publications	Before thorough reading, content scanning was applied to determine if the paper retrieved from academic sources (ProQuest/WoS) dealt with working relationships between SMMEs and large businesses. Sources from the internet and institutional reports retrieved from Google Scholar/Google were shortlisted using titles before thorough reading.

Table 2. Literature Sources

Type of Source	Quantity	Authors
Conference papers	2	Qaqaya & Lipimile (2008); Masroor & Asim (2019).
Journal articles / Scopus/ WoS/ Google Scholar	21	Street & Cameron (2007); Hessels (2008); Zwane (2009); Abor & Quartey (2010); Olawale & Garwe (2010); Mathibe & Zyl (2011); Cant & Wiid (2013); Chimucheka (2013); Cant et al. (2014); Forster (2014); Tustin (2015); Wahono (2015); Spicer (2016); Donaldson & Pauceanu (2017); Furawo & Scheepers (2018); Michie & Padayachee (2019); Bushe (2019); Snyder (2019); Craighead et al. (2020); Setyaningsih & Kelle (2021); Wiid & Cant (2021).
Online websites	3	Urban (2018); Njilo (2019); Mary (2019)
Institutional publications/Reports	12	Business Environment Specialists (BEP) (2009); Ardic et al. (2011); Timm (2011); Jamieson et al. (2012); Mitchell (2016); SEDA (2016); Ngarachu et al. (2017); Bhorat et al. (2018); Buthelezi et al. (2018); Parliamentary Monitoring Group (2018); Parliamentary Monitoring Group (2019); OECD Data (2020).
Legislation	1	National Small Business Act 102 of 1996.
Theses	2	Dzansi (2004); Mahambehlala (2019).
Total	41	

Table 3. Key Results of the Study

Study	Publication Year	Country of study	Industry studied	Methodology	Focus	Key findings/objectives related to this study
Furawo, T., & Scheepers, Factors impacting innovative capacity of small- and medium-sized enterprises in Cape Town	2018	South Africa	SMMEs	Qualitative	Innovation.	Larger firms' companies provided informal mentorship and interaction opportunities to SMMEs. Bigger firms threaten SMME viability through intense competition and pulling off investors, capital and other resources from SMMEs.
Bhorat et al., SMMEs in South Africa: Understanding the constraints on growth and performance	2018	South Africa	SMMEs	Literature review	Constraints of growth and performance	Big firms create barriers to entry into markets for SMMEs- cost, brand loyalty, and promotions. Large firms engage in anti-competitive behaviours towards SMMEs – below-cost pricing.
Masroor, & Asim, SMEs in the contemporary era of global competition.	2019	Global	MNCs & SMMEs	Qualitative	Factors restricting the growth of SMMEs	SMMS need to combat destructive elements from MNCs. MNCs squeeze out SMMEs through monopoly power; cost leadership; using patents and copyright laws to block SMMEs from adopting new technological
Zwane, T, The impact of regulation on small businesses in the Republic of South Africa	2009	South Africa	SMMEs	Literature review	Regulation	Financial exclusion of SMMEs by big banks. Unregulated anti-competitive behaviours against SMMEs
Mitchell, S, Monopoly Power and the Decline of Small Business	2016	United States of America	MNCs & SMMEs	Literature review	The decline of Small Business	Larger institutions routinely use their size and market power to undermine and exclude their smaller rivals. Leveraging political power to policies favouring their interests over SMMEs
Urban, B, Entrepreneurship is on the agenda again: More hype or real action?	2018	South Africa	SMMEs	Opinion/News	Entrepreneurship	Large firms enact market entry barriers against SMME. Prevalence of oligopolistic markets which wipe out opportunities for SMMEs
Ngarachu, et al., Are Private Sustainability Standards Obstacles to, or Enablers of, SME Participation in Value Chains?	2017	South Africa and Kenya	SMMEs- Value chain	Literature review and informant interviews	Sustainability standards	Benchmark higher value chain standards not easily attainable by SMMEs. Demanding costly certifications from SMMEs to participate in the value chain
Ardic et al., Access to finance by small and medium enterprises: a cross-country analysis with a new data set	2011	Global	SMME & Financial sector	Survey methodology	Access to finance	Large banks charge SMMEs higher than average loan interest rates
Jamieson et al., Large Businesses and SMEs: Exploring how SMEs interact with large businesses	2012	United Kingdom	SMME / Large Business sector	Literature review and quantitative survey	Relationship between large and SMMEs	Large firms endanger survival and growth prospects through late payments; burdensome administrative compliance with procurement and audit procedures.

FINDINGS

The study examined the relationship between large firms and SMMEs and how large firms endangered the SMMEs' welfare. Overall, this study noted that various larger firms' behaviours negatively impacted the viability of SMMEs (Furawo & Scheepers, 2018), resulting in a small business sector experiencing marginal growth. This situation is challenging to reverse, given that SMMEs lack individual and collective strengths to challenge bigger companies' power. As a result, the working partnership agreements between SMMEs and large businesses may not serve much good to SMMEs as may be anticipated. To a larger extent, the study found that large firms leveraged size and market dominance advantages to thwart SMME competition and crowd them out of an industry. Some scholars (e.g. Bhorat et al., 2018; Masroor & Asim, 2019) alluded to the formation of monopolies and cartels and incidences of unethical advertisements as some of the covert ways in which big companies overpowered SMMEs and threatened their survival aspirations.

In the same vein, it was found that because many South African markets are monopoly-controlled (Parliamentary Monitoring Group, 2019; Urban, 2018), they tended to be reserved for a few large firms, which left few opportunities for SMMEs to enter into lucrative markets. This phenomenon is partly due to the country's former colonial business structure mechanisms and the current lethargic policy development and implementation culture that continue to frustrate efforts to restructure the local economy for the benefit of all, including SMMEs. It is, therefore, unsurprising to find that many business policies in South Africa favour and nurture the persistent dominance of big business interests (Zwane, 2009) while ignoring their anti-competitive behaviours that harm the SMME sector. The national procurement regulations such as Public Finance Management Act, the Finance Management Act and the Municipal Finance Management Act exemplify policies that are favourable to larger firms while at the same time preventing SMMEs from conducting business with the government (Parliamentary Monitoring Group, 2019). Therefore, this policy framework, it seems, helps the corporate sector to operate on the right side of the law while engaged in some business practices that prejudice SMMEs and create a protected government market exclusive only to the corporate sector. Overall, therefore, as Mitchell (2016) argued for SMMEs in the United States of America, many of the threats to SMMEs coming from the large business sector stream from stray economic, political and policy ideologies that have discounted the harmful effects of monopoly power and infused public policy with a bias in favour of big business.

In summary, the study uncovered substantial issues that call for a review of the general assumption that large firms in South Africa endeavour to support SMMEs for a good cause and that it is to the benefit of SMMEs to seek to pursue relationships with their larger counterparts at all times. As noted in the discussion, many SMMEs bear the burden of unfair trading practices, innovations expropriations, exclusion from specific markets and anti-competitive behaviours from large firms. Thus the size of the threat from large firms and its consequent negative impact on SMME welfare cannot be underestimated. The key results of the study are summarised in Table 3.

DISCUSSION

Given the conventional narratives about the importance of large firms in the South African economy, perceptions that they can be regarded as one of the threats to small business success are unpopular. However, given the experiences alluded to in the discussions above, large firms appear to have significantly contributed to the struggles experienced by SMME sector players. It can be argued that the issues that arise between SMMEs and large businesses expose weaknesses in various aspects of South Africa's business policy from the radical economic transformation, SMME development, innovation protection and fair trade regulations. To begin with, South Africa pursues an economic development policy attracting foreign direct investment, including large multinational companies (MNCs). This policy position exposes the government to manipulation by large foreign companies. Masroor & Asim (2019) argued that despite their positive contributions to the economy MNCs are also bad for any aspirations to grow, revive and improve the SMME sector's performance. Among other harmful practices, they exploit the weak environmental and regulatory structures and policies in developing economies to crowd out SMMEs to peripheries of the economy.

Large firms, for example, know that legal costs will hamper SMMEs from successfully litigating any contractual or innovation issue (see Parliamentary Monitoring Group, 2018). Moreover, there are no specific laws that govern their relationship with SMMEs. This allows the corporate sector to capitalise on the unbalanced power dynamics to force SMMEs to assume subservient positions in any business deals. The ultimate result is that these SMMEs can go out of business. These arguments do not ignore the positive effects of small business-large business cooperation. Indeed, large firms can ignite small business growth by incorporating them as members of the supply and distribution chains (Jamieson et al., 2012; Setyaningsih & Kelle, 2021), where they end up benefitting from the technological transfer, access to credit, and links to international markets, among other benefits. Yet even such relationships often prevail, defined by some form of resignation from SMMEs to assert their rights to fair trading relationships.

Coincidentally, the history of SMME development in the country shows many institutional, policy and legislative interventions to support the growth of small firms. Examples include the National Small Business Act 102 of 1996 and the government White Paper on National Strategy for the Development and Promotion of Small Business 1995 (Dzansi, 2004:47) and the Small Enterprises Development Agency (SEDA). Nonetheless, in light of small business vulnerabilities, as discussed in previous sections, it is pertinent to question whether the state institutions and policies established to support small businesses have added much value to the sector (Business Environment Specialists (BEP), 2009; Mahambehlala, 2019). Besides, the problem might also be the insufficiency of policy and lack of ineffective implementation. This complicates determining the best solution between enacting further regulations or strengthening existing ones to lessen small business vulnerability when they trade with larger firms.

CONCLUSION

By applying a literature review methodology, this study assessed the role of large businesses as a threat to small business survival and growth. Consistent with Bhorat et al. (2018), the study's findings suggest that despite their laudable contributions, South African large firms significantly constrain the success of SMMEs. Stemming from these observations, the research implications are that in South Africa, there is a real need to evaluate the purported roles of large firms in supporting smaller entities by recognising some of the pitfalls incumbent in large business and SMME relationships that disadvantage SMMEs. It, therefore, proposes that assumptions that large entities ordinarily endeavour to support SMMEs through fair trade, ethical dealings and developing strategic partnerships need to be regarded with caution. Overall, an analysis of the findings suggests that large firms primarily seek to promote their self-interests before worrying about SMMEs' welfare issues. Reflecting on the same analogy, Urban (2018) reminded SMMEs that "big businesses are not against you; they are merely for themselves." That is why they even regard SMMEs as direct competition despite the existing power imbalances. As part of its practical implications, this study motions that the government may have to revise its perception that large firms bid to assist the SMMEs, in all circumstances. To that end, it is not advisable to position the corporate sector at the forefront of every program that seeks to support the SMME sector's growth, mainly where the risks of abusing those privileges are high. Thus, among other initiatives, the researcher recommends a practical application of the provisions of the existing Competitions Act to protect SMMEs. Moreover, the researcher believes there is a need for new policies to develop SMME capacity without treating them as complementary entities to big companies in the economy.

Study limitations and suggestions for further research

Because the study applied an exploratory review of literature, it may not be exhaustive to provide specific determinants about the what, the extent, and concrete solutions to the problem investigated, save for proposing a technical suggestion to encourage larger firms to reimagine their relationship with SMMEs. Specifically, large firms can commit to paying SMMEs on time, while SMMEs also insist on pursuing formal contract defined business relationships to reduce the chances of exploitation. However, as the purposed of the study was intended to bring attention to an often neglected aspect of small and large business relationships, the researcher believes this exploratory examination has created sufficient ground for further research related to the topic. Thus among others, further research is required to, for example, quantify the net effect of such harmful practices on the economy and the overall growth of the SMME sector.

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