PUBLIC PRIVATE PARTNERSHIP IN SOUTH AFRICA WITH REFERENCE TO THE REALISATION OF BLACK ECONOMIC EMPOWERMENT

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ABSTRACT

PUBLIC-PRIVATE PARTNERSHIP IN SOUTH AFRICA WITH REFERENCE TO THE REALISATION OF BLACK ECONOMIC EMPOWERMENT

This study sought to highlight the concept of Black Economic Empowerment (BEE) as it applies to South Africa. BEE as a new concept in South Africa is likely to be faced with a number of challenges. Of note is how a number of pieces of legislation were generated to help create an environment for the implementation of BEE policy. What was illuminated in the study is the fact that in spite of the many policies having been generated, there seems to be a lack of understanding in terms of how these policies should be implemented.

Self-evident in this study is the perception embraced by a number of stakeholders with regard to the implementation of BEE through public-private partnership. The perceived differences of opinion are not only reflected among-policy makers from different political parties, but also within the wider spectrum of South African society and workers’ movements. Differing views in terms of the actual implementation of the policy became evident in this study. The differing views seem to be premised around what can be portrayed as the niche that the concept of BEE occupies in the society at large. At the centre of this debate is the recycling of beneficiaries of BEE, which is seen to be consistent and invariable and may be perceived to be defeating the purpose of BEE through PPP. A number of questions were raised in this regard, which provided justification for the researcher to put the past and the present practices in juxtaposition.

The study found that procurement processes and procedures were central to the discussion of BEE through PPP. Against this backdrop, the supply chain management system played a dominant role. The introduction of policy frameworks such as Preferential Procurement Policy Framework Act, 2000; Public Financial Management Act, 1999; the Constitution, 1996 and the Broad Based Black Economic Empowerment Act, 2003 provide an enabling environment for BEE through PPP to be a reality.
The dominant discourse on BEE has been whether it indeed achieves what it set out to achieve, i.e. poverty alleviation. It is interesting that this discourse as addressed in this study seems to place in perspective the difference between economic growth and economic development, which seemed to have not yielded similar outcomes. Against this backdrop, the effect of BEE has been placed under scrutiny, with reference to the generally accepted determiners of economic growth such as gross domestic product (GDP).

The study further focused on the effect of BEE in the rural areas in the midst of the perceived levels of illiteracy. Though the effect of BEE on women and youth was looked at, this has not been done in isolation from the realities facing this sector, such as a lack of skills perceived to have stemmed from the past policies of institutionalised segregation.

The researcher has however argued that perhaps a new empowerment strategy had to be found based on poverty alleviation for the poor irrespective of the colour of their skin, political affiliation or gender; namely an empowerment strategy that looks into the future.

The good policies referred to earlier are likely to fall prey to rampant greed as referred to by former president, Mbeki (2006). It appears the new measures will have to be put in place to curb the scourge of greed currently experienced, often masqueraded under affirmative action, affirmative acquisition or even affirmative discrimination and discrimination against the poor. This indeed feeds into the re-emergence of a new class struggle and sows the destructive seeds of interracial conflict and disharmony.

**Key words**

Economic growth, public-private partnerships, preferential procurement, supply chain management, Black Economic Empowerment, Gauteng Shared Services Centre and financial management.
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LIST OF ABBREVIATIONS

ANC    African National Congress
AsgiSA  Accelerated and Shared Growth Initiative for South Africa
BAS    Basic Accounting System
BBBEE  Broad Based Black Economic Empowerment
BBBEEA Broad Based Black Economic Empowerment Act, 2003
        (Act 53 of 2003)
BEC    Bid Evaluation Committee
BEE    Black Economic Empowerment
BITF   Black Information Technology Forum
BMT    Broad Management Team
CES    Chief Education Specialist
CFO    Chief Financial Officer
COSATU Congress of South African Trade Union
CCMA   Commission for Conciliation Mediation and Arbitration
DAC    Departmental Acquisition Council
DAPU   Departmental Accredited Procurement Unit
DPSA   Department of Public Service and Administration
DTI    Department of Trade and Industry
ELRC   Education Labour Relations Council
EPWP   Expanded Public Works Programme
EVA    Economic Value Added
FOSAD  Forum for South African Directors-General
GAAP   Generally Accepted Accounting Principles
GDE    Gauteng Department of Education
GDP    Gross Domestic Product
GNP    Gross National Product
GEM    Global Entrepreneurship Monitor
GET    Growth Employment Trends
GPG    Gauteng Provincial Government
<table>
<thead>
<tr>
<th>Acronym</th>
<th>Full Form</th>
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<tbody>
<tr>
<td>SCC</td>
<td>Special Conditions of Contract</td>
</tr>
<tr>
<td>SCM</td>
<td>Supply Chain Management</td>
</tr>
<tr>
<td>SCOA</td>
<td>Standard Chart of Accounts</td>
</tr>
<tr>
<td>SCOPA</td>
<td>Standing Committee on Public Accounts</td>
</tr>
<tr>
<td>SGB</td>
<td>School Governing Body</td>
</tr>
<tr>
<td>SMEs</td>
<td>Small and Medium Enterprises</td>
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<tr>
<td>SMMEs</td>
<td>Small Medium and Micro Enterprises</td>
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<tr>
<td>SIDA</td>
<td>Swedish International Development Agency</td>
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<tr>
<td>SLA</td>
<td>Service Level Agreement</td>
</tr>
<tr>
<td>UN</td>
<td>United Nations</td>
</tr>
<tr>
<td>WCSCM</td>
<td>World-Class Supply Chain Management</td>
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<tr>
<td>WTO</td>
<td>World Trade Organisation</td>
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