

**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

GRAP	Generally Recognised Accounting Principles
GTB	Gauteng Tender Board
GSSC	Gauteng Shared Service Centre
HDI	Historically Disadvantaged Individual
HoP	Head of Procurement
ILO	International Labour Organisation
IPFA	Institute for Public Finance and Auditing
IRR	Internal Rate of Return
IT	Information Technology
JIPSA	Joint Initiative on Priority Skills Acquisition
LDC	Less developed Country
MFMA	Municipal Finance Management Act, 2003 (Act 56 of 2003)
MINMEC	Ministers and Members of Executive Council
MTEF	Medium Term Expenditure Framework
NEDLAC	National Economic Development and Labour Council
NEPAD	New Partnership for Africa's Development
NERF	New Economic Budget Reporting Format
NUM	National Union of Mine Workers
PAYE	Pay-As-You-Earn
PFMA	Public Finance Management Act, 1999 (Act 1 of 1999)
PPP	Public Private Partnership
PPPFA	Preferential Procurement Policy Act, 2000 (Act 5 of 2000)
PV	Present Value
RFQ	Request for Quotations
SACP	South African Communist Party
SADC	Southern African Development Community
SAICA	South African Institute of Chartered Accountants
SAP	System Application Process
SARS	South African Revenue Service
SASA	South African Schools Act, (84 of 1996)
SAWEN	South African Women Entrepreneurs' Network

SCC	Special Conditions of Contract
SCM	Supply Chain Management
SCOA	Standard Chart of Accounts
SCOPA	Standing Committee on Public Accounts
SGB	School Governing Body
SMEs	Small and Medium Enterprises
SMMEs	Small Medium and Micro Enterprises
SIDA	Swedish International Development Agency
SLA	Service Level Agreement
UN	United Nations
WCSCM	World-Class Supply Chain Management
WTO	World Trade Organisation