

A comparison of enterprise development models in South Africa using case studies

MA Development Studies- Research Report

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Abstract

The focus in this research is on the private sector's adoption of BBBEE ED. A key question is whether the private sector would ordinarily engage in the development of SMEs and why, if it were not for BEE? There are two main reasons why the private sector should be interested and excited ED component of Black Economic Empowerment however; and both of these reasons make business sense. Investing in BBBEE ED can lead to the development of its suppliers and the courting of potential future suppliers. Furthermore, if money toward ED is used as an investment in businesses, well planned and implemented ED, can lead to financial returns. Secondly it is an efficient and effective means of meeting BEE compliance requirements and in so doing achieving the spirit and letter of black economic empowerment, which is needed for soliciting business in South Africa. The ED component of BEE holds great potential for social impact through the creation of sustainable businesses, which leads to sustainable job creation and economic growth. For these reasons, the aim of this research is to understand how the private sector is making use of the opportunity to use BBBEE ED to grow the SME sector and how this impacts on development in South Africa.