

Budget Vote speech by the Deputy Minister for the Department of Small Business Development, Elizabeth Thabethe, MP

22 Jul 2014

Honourable Speaker;
Minister Zulu, Minister Davies and other Ministers present
Deputy Minister Masina and other DM's
Members of the National Assembly;
MEC's and Heads of Departments;
Acting DG Ncapayi and officials from the Department of Small Business Development
DG October and officials of the Department of Trade and Industry and its Council of Trade and Industry Institutions (COTII);
Leadership of SAWEN represented by Acting CEO, Ms Ruth Masokoane and Chairperson of the board, Ms Gail Dawning
Leaders of Organised Business and Labour;
Distinguished guests;
Ladies and gentlemen.

I would like to specifically recognise:
My Technogirls competition winners from Photani Secondary school in Malamulela, Limpopo province.

As we begin the 5th term of Parliament, we are more eager to move South Africa forward and strongly believe that our products and services as the new department will respond to the needs and aspirations of our Entrepreneurs.

In this regard, the Department of Small Business Development will aggressively explore opportunities for SMME's and Cooperatives locally and across the globe. We have begun work and will move our people out of poverty and help create the six (6) million job opportunities that the President spoke about during the launch of the ANC Manifesto.

I can assure you, Honourable Members that we are already working towards achieving this goal by supporting our entrepreneurs in all sectors of the economy that have potential to create jobs as they increase production, hence my emphasis on access to markets despite many other challenges faced by SMME's including access to finance, skills development and so forth.

A week ago, I led a delegation of women and few men to Santa Fe in New Mexico to one of the world's biggest Folk Art Markets. The Folk Art Market attracts buyers from many countries and this year's participation was even greater. The project, though small in scale compared to other missions, provides crafters from the most rural areas, an opportunity to present to modern day collectors of traditional artwork some of the country's earliest ornaments and houseware that symbolises the diversity of the ethnic clans and groups. In the three days of their participation in the market, they made what most crafters would do in a year.

It is an incredible market where buyers never question the price but the quality of the product. We have also ensured that we deal with the issue of consultants who act and represent our people in these celebrated markets. Many of them have been reaping off our people with extreme situations where a product is bought for 200 rands and sold in these markets for 200 dollars.

This is one of the reasons our people work twice as hard for far less than they deserve and we wonder why our economy is slow to create jobs. We intend to eliminate these middlemen in the crafts sector and

want our people to represent themselves in all these platforms.

We have also re-established a permanent showroom in Atlanta, USA showcasing Home Décor Lifestyle products from this beautiful country. The products displayed in our showroom are primarily produced by cooperatives and small businesses owned by women. We have also ensured that they represent our diverse culture and rich heritage.

I'm proud to share with you that we received the HASHTAG and the Atlanta Market Favourite awards for Ottomans made by Ozzy's Eco Decors owned by YOLANDA MSUTWANA from East London. These are the two primary awards that are offered by a third party to identify the most impressive/ unique/ inspiring products in ALL of the 2014 July market! It is quite prestigious for exhibitors to win even one of these awards, but to win two of them is quite an exciting honour.

While South Africa and Africa as a whole, have an abundance of creative talents and handicrafts, it is sad that out of the ten leading craft and arts exporting economies, only three were from developing economies namely; China, the Republic of Korea, and India with the rest being made up of Belgium, Turkey, United States, Italy, France, the Netherlands and the United Kingdom. No African economy features in this top ten. This is definitely a niche market that the department should explore.

Our continued participation in Santa Fe Folk Art Market and establishing South Africa's showroom at AmericasMart with a focus on arts craft and design for home décor is thus informed by the knowledge that there is a global market and demand for South African products, South Africa is endowed with both indigenous and contemporary craft and design talent and that South Africa must also be at the forefront in not only meeting this demand, but ensuring that it does so in a manner that would benefit the rural and indigenous communities of South Africa.

Honourable members, allow me to share with you some statistics reflecting the potential for these sectors where the majority of participants are cooperatives and our very small enterprises.

The value of world exports of creative-industry goods and services reached \$592 billion in 2008 up from \$267 billion in 2002, according to United Nations Conference on Trade and Development (UNCTAD). During this same period, the creative industries gained shares in global markets, growing at an annual rate of 14%. This upward trend is likely to continue, given the positive prospects for global demand even in turbulent times.

The global market for art crafts is definitely expanding and clearly it is not negligible; wherein world exports increased by 8.7 per cent, from \$17.5 billion to \$32 billion, during the period 2002-2008. Art crafts are the most important sector of the creative industry for export earnings in developing countries, and a major one for developed countries as well, but with Asia and Europe being the main exporting regions for art crafts.

Indeed, we have begun work and will move our people out of poverty. We are conscious of our business environment and it continues to be a challenge we face as government that our people with disability are not participating in the main stream of the economy. The previously disadvantaged individuals especially our young people and women are still not adequately represented in the small business sector.

Things have to change, and that is why we believe that radical measures must be employed to fast track and change the pace of small business development.

We cannot continue to support SMME's and Cooperatives the same way we did in the past and expect different results.

We will be establishing the Cooperatives Academy in partnership with the Department of Higher Education to ensure that our coops are better trained and their members have a holistic view and understanding of this model of a business. We will also be establishing the Cooperatives Agency and the Tribunal.

Honourable members let me talk about Youth unemployment and believe me when I say; many commentators believe that the only caveat out of this is entrepreneurship. While under the dti, we developed a Youth Enterprise Development Strategy and we believe that enhancing youth economic participation through entrepreneurship and other relevant integrated interventions cannot be achieved by our efforts alone but call on the private sector to join forces with us. We believe that the private sector has the muscle to mobilise resources in order to invest in entrepreneurship development and contribute towards efforts aimed at preparing the next generation.

As the minister has already mentioned, I had the opportunity to launch the two wonderful centres of Entrepreneurship operating in FET colleges in the Eastern Cape and Gauteng.

We view these centres as catalysts to empower young minds and develop local communities. They will continue to grow in serving entrepreneurs in their areas and also serve as hubs for information and training.

Honourable members, I am first to admit that a deeper understanding of entrepreneurship is required as we look beyond the constraints of traditions to find new opportunities for young people. It is this assertion that heightens my confidence that Entrepreneurship development remains a critical tool for economic development.

It is further important to note that how we support, celebrate, and develop the culture of entrepreneurship will determine that base and ultimately the future of our economy. It is against this backdrop that efforts are directed at addressing entrepreneurship development and to ensure that education is driven in such a way that business venture can become a choice rather than a last resort for students. Investments geared towards developing entrepreneurship should lead students on a path to self-sufficiency and become productive citizens.

It is true that we have begun work and will move our people out of poverty!

We are here, to assure South Africa that we know what needs to be done. We know what we did in the past; we know what worked and what didn't.

The South African Women Entrepreneurs Network (SAWEN) continues to represent the majority of our women in business and we must thank the dti for affording them opportunities to participate in many of their programmes.

SAWEN together with the Corporate and Consumer Regulation Division (CCRD) and the Gender Unit have trained 170 women through the Institute of Directors and were awarded certificates in Corporate Governance Development

As we continue to support women owned enterprises, it is evident that skills development is fundamental to enhance the quality of their products and ensure sustainability.

The Bavumile Skills Development programme is designed to contribute to economic empowerment of women and targets the clothing and textiles as well as arts and craft sectors and offers training to women to upgrade their skills in the manufacturing of their products. We are also reviewing the guidelines to include non-SAWEN members; participants without formal (registered) businesses, more than 10 participants per province and more than 7 days of training.

Women economic empowerment through enterprise development remains a catalyst for job creation, economic growth and equity.

Honourable members, we have also been celebrating women participation in the economy through the Ligugu lami awards and their eagerness to close the digital gap in South Africa through Technology for Women in Business programme (known as TWIB) which is promoting the culture of technology utilisation and has increased the number of women using technology as an enabler in their businesses through innovation and invention.

Honourable members, when women utilise technology to do business it means access to much wider markets. Technology can bring about change and create new markets and businesses from international and regional collaboration, thus helping the social and economic standing of women to rise. Investing in women is recognised not only as the right thing to do but also the smart thing to do, because women's economic advancement promotes economic growth.

Believe me when I say, as we move South Africa forward, it is the women of this country who should be ready to lead the move.

Ba re mmago ngwana o tshwara thipa ka bogaleng.
Nna ke re ke kgale thipa tse di resega,
We no longer feel the pain; we are ready to move our country forward!

In closing, government will continue to intensify its efforts to unlock the potential of the SMME sector particularly for people with disability, youth and women's enterprises, by creating a business environment that encourages more and more big corporations to do business with this vulnerable sector of our economy and benefit from the diversity, innovation and brand value-add that these businesses bring. While taking heart from the strides that have been made, we must keep on working harder and smarter to create a vibrant and growing inclusive economy.

Together with my Honourable Minister, we are ready to take the bull by its horns and hope that you will support this budget.

Wathintha bafazi, wathinti imbokodo!

I thank you.
Malibongwe!

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