



REPUBLIC OF SOUTH AFRICA

MINISTRY OF WOMEN, YOUTH AND PERSONS WITH DISABILITIES

ENTERPRISE TRADE FAIR

SPEAKING NOTES FOR

MINISTER IN THE PRESIDENCY:

WOMEN, YOUTH AND PERSONS WITH DISABILITIES

MAITE NKOANA-MASHABANE

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ENTERPRISE TRADE FAIR

Programme Director

Entrepreneurs,

Guests,

Thank you for the opportunity provided to address our fellow government officials, the public, civil society, private sector and entrepreneurs, this morning.

As the Department of Women, Youth and persons with Disabilities in South Africa, we are delighted to participate in this platform that elevates the African trade vision, gender equality, inclusive growth and development.

As the years 2020 to 2030 has been declared the decade of Women's Financial and Economic Inclusion, there is a need to scale up actions for gender mainstreaming towards sustainable development at a national, regional and a global scale.

The same applies for persons with disabilities and indeed the youth, who, for too long, have been excluded from economic opportunities. Economic development and societal growth are inter-linked. Where society experiences stagnant growth, you only need to look at exclusionary practises that do not harness the human capital at your disposal.

The gains made in the previous years to close the gender gap are being threatened by the outbreak of Covid-19 that has negatively impacted on trade, food security and employment.

In terms of economic inclusion, the declaration of this decade was timely as women are said to account for 70% of informal cross border trade and therefore trading under the African Continental Free Trade Agreement (AfCFTA) would be very beneficial. Gender mainstreaming in the AfCFTA operationalisation should then be intensified so that this agreement is responsive to inclusivity, inequality and poverty alleviation in the continent.

Across Africa, young entrepreneurs are yearning to scale up their small businesses. To learn from bigger operations, and to do business with each other. This platform is a powerful reminder of what networking can do for the youth of South Africa, and the continent.

In his State of the Nation Address, His Excellency President Ramaphosa spoke of economic opportunities for persons with disabilities. How friendly are your procurement policies towards businesses owned, led and that employ persons with disabilities?

With regards to economic inclusion of women, South Africa derives its mandate from multiple instruments at global, regional and national level, including but not limited to the following: SDGs Agenda 2030, Beijing Platform, CEDAW, Agenda 2063, AU Gender Strategy, Solemn Declaration, SADC Gender and Development Protocol, SA Constitution, NDP 2030 as well as SA Policy Framework on WEGE among other key instruments.

The business case for women's economic empowerment is compelling and becomes even more important when we consider that women who experience expanding economic opportunities reinvest in education, health and other related poverty-reducing priorities at a rate of 90%

compared to men who only do so at 40%. This is why empowering women should be seen as a solution towards sustainable economic development.

Ladies and Gentlemen, what you must realise is that choosing not to invest in the 51% of our country, is a bad business decision.

The DWYPD is working towards leading and regulating programmes that would transform the economy to serve its people by contributing to various priorities both internationally and locally.

We devote particular attention to identifying and tackling the obstacles facing women, youth and persons with disabilities entrepreneurs in economy.

To contribute to the Economic Transformation and Job Creation national priority, plans are made through various programmes and intervention in areas identified as supportive of growth, with industrial sector strategies that cut across critical economic sectors and industry value chains, with the particular focus and the explicit intention of benefitting enterprises owned and managed by women, youth and persons with disabilities

Critical to achieving the objectives of ensuring equitable representation and participation of these groupings requires advocating for the transformation of ownership and management patterns across all sectors of the economy, further empowering women, youth and persons with disabilities to become meaningful participants that contribute at all levels of the economy.

The Small, Medium and Micro Enterprises (SMME) sector accounts for a great share of the GDP and employment creation in many countries around the world. The dominance of large firms in the economy is not always a sign of good economic health. In fact, it may be indicative of structural inequality and absence of inclusive value chains. South Africa suffers market concentration in various product markets, and this hinders job creation.

While government has made various efforts to cushion the impact of the lockdown on businesses, many enterprises owned by women, youth and persons with disabilities, which dominantly operate in the informal sector, have not all benefited from the relief programmes. It is clear that inequality is rife besides the many strides the country has made; there are developing and newly mutating challenges that are continually presenting themselves.

The White Paper on the National Strategy for the Development and Promotion of Small Business in South Africa (or White Paper on SMME development) points out that the SMMEs ‘represent an important vehicle to address the challenges of job creation, economic growth and equity in our country.’

It is widely recognized that SMMEs represent a key avenue for creating new value in the economy and expanding employment opportunities especially in light of consistently high rates of unemployment at above 25%, and legacy of systematic exclusion of blacks, and in particular black women, from the mainstream economy. The SMME sector has a critical role to play in achieving economic transformation.

In order for SMMEs to grow and create value in the economy on a sustained basis they need to be internationally competitive. They should thus be supported to enter export markets (either directly or indirectly via linkages to larger exporting firms), to structure international partnerships that could enhance their capabilities, and participate fully in cross-border value chains.

In setting out the needed reform measures, the National Treasury points to the need to implement focused and flexible industrial and trade policies to promote competitiveness and long-rung growth, as well as to integrate into regional and global value chains by growing exports and enhancing export competitiveness, especially for regional markets.

Internationalisation can help SMMEs to tap into a much larger network base, broaden possibilities for financing opportunities, and help with accessing learning opportunities to address both internal and structural constraints. This, in turn could contribute to efficiencies and competitiveness. Internationalisation activities go beyond support for export promotion programmes. They also seek to place emphasis on partnerships aimed at fostering learning spill overs.

There are, however, many challenges that SMMEs confront that are a hindrance to internationalization. Some of the factors that limit internationalisation, apart from those that have already been highlighted, include organisational structures that can either undermine or enable a firm's internationalisation strategy such as; lack of experience in foreign markets, cultural, language or disadvantages of distance.

SMMEs need to be supported either financially or non-financially to be able to participate in procurement markets in the African continent. These include opportunities that exist in the public sector projects linked to infrastructure development or procurement of products and services for government use. Examples here include the public health sector, schools, defence contracts, road infrastructure, engineering services, aviation services and accessories, among others.

In light of the concluded AFCFTA, which seeks to create a larger continental market for goods and services, the agreement opens up opportunities for African countries to increase trade with one another in a market that is projected to grow massively in the future on the back of rising consumer base and youthful population.

While assessing the barriers to economic inclusion for women, youth and persons with disabilities, two things became clear: One, that achieving gender equality requires a combination of government policy, private sector action, and social change. And two, that silos continue to separate these actors and policy realms, making concerted, mutually reinforcing action difficult.

In this respect, the South African government should work more closely with various governments in the African continent to share best practices and support procurement reforms for greater transparency, as well as to help upgrade capabilities.

South Africa has developed some best practices, though they are still work in progress, in the form of central database, e-procurement, technology infrastructure, point system, and set-asides for SMMEs.

Other forms of engaging women, youth and persons with disabilities enterprises could include the following forms; offering sub-contracting and procurement opportunities; become mentors to women entrepreneurs offering advice and guidance; form partnerships with women enterprises; promoting the use of online trading platforms and help women enterprises to better understand the dynamics of business and value chains.

Allow me to also take this opportunity to remind you of your corporate social investment responsibility. The Private Sector GBVF Response fund recently raised R128 Million to resource the NSP in the fight against GBV. An equitable society makes business sense, so I urge you all to do your part to end GBVF.

In closing, I call upon the government and its agencies, civil society, private sector, as well as all partners, including international agencies to work together to engage women, youth and persons with disabilities in entrepreneurship and trade.

I urge all our partners to participate in shaping the economic empowerment programmes for women, youth and persons with disabilities and in reaping the fruits of such programmes.

This is not for DWYPD but it is every department's business and every stakeholder to make a contribution as this would have greater developmental benefits for the country as a whole as well as the continent.

I THANK YOU.