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Department:
Trade and Industry
REPUBLIC OF SOUTH AFRICA



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DEPARTMENT: TRADE AND INDUSTRY, REPUBLIC OF SOUTH AFRICA

**PROPOSED STRATEGY ON
ENGENDERING the ACCELERATED & SHARED GROWTH
INITIATIVE – (ASGI-SA).
JANUARY 2006**

**Held at the dti Campus, PRETORIA SA
Submitted by**

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"Never doubt that a small group of thoughtful, committed citizens can change the world. Indeed, it is the only thing that ever has." - Margaret Mead,

12 JANUARY 2006

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1. INTRODUCTION

In July 2005, President Thabo Mbeki appointed Ms. Phumzile Mlambo-Ngcuka to drive the Accelerated and Shared Growth Initiative for South Africa - (ASGI-SA). ASGI-SA is the economic plan made up of a range of initiatives aimed at removing obstacles to economic growth. It also deals with challenges of ensuring that South Africa raises the trajectory of growth to average at least 4,5% in the next five years and about 6% between 2010 and 2014. Combined with a focus on improving labour absorption, the initiative is also aimed at assisting government to meet its mandate of reducing unemployment and ultimately eradicating absolute poverty by the Second Decade of SA's Freedom.

At the heart of reducing unemployment and eradicating absolute poverty thus growing the SA economy, lies the economic empowerment of women who are the majority of our population and continue to be the poorest of the poor. If ASGI-SA is to succeed, it will also have to positively impact on the ordinary lives of women, particularly those from the townships and rural areas. In the past five years, SA women have diligently and successfully managed to actively engage in various business initiatives. Regardless of their active engagement in business initiatives, the majority of them continue to remain on the periphery of our mainstream economy. The workshop on "Engendering the ASGI- SA" was therefore an urgent realization of the importance of ensuring a unified women's voice on how best women can actively participate towards the overall achievement of the targeted 6% growth.

2. BACKGROUND INFORMATION

Without a meaningful contribution of SA women in business, government and the rest of SA has little chance of fully realizing the 2014 ASGI-SA set objectives. **the dti** is also of the opinion that, the success of ASGI-SA will also be determined by the extent to which its main objectives positively impacts on the lives and economic status of those belonging in the second economy. Obviously, the majority of them are black and happen to be female.

The workshop on "Engendering the ASGI- SA" was organized by **the dti** Gender and Women's Empowerment Unit, responding to the urgent request of Deputy President Mlambo-Ngcuka and Deputy Minister Thabethe. The Minister of Trade and Industry Mr. Mandisi Mpahlwa, Deputy Minister of Minerals and Energy, Ms. Lulu Xingwana, and the Deputy Minister of Health, Ms. Nozizwe Madlala-Routledge, further supported this initiative.

2.1 Aims and Objectives;

Attending the workshop, were 180 delegates, including women from all over the country. These were representatives from different women's business organizations (both rural and urban), those from civil organizations dealing with the economic empowerment of women, and corporate.

Its main objective was to gather the views and opinions of SA Women in Business on the Accelerated and Shared Growth Initiative SA (ASGI-SA) and thereby strengthen government's plan of action to fast-track women's economic empowerment. Other related objectives were to:

- Educate women in business about the contents of this document;
- Assess the broader economic impact of the BEE process on women as well as other related economic policies, and
- Identify priority interventions to be adopted as part of implementing ASGI-SA.

3. FINAL RECOMMENDATIONS OF THE WORKSHOP

3.1 BROAD RECOMMENDATIONS

- Whilst the ANC Government has made strides in the last eleven years in taking the country to greater heights, there are still many challenges that have to be addressed. The next decade should be about universal access to basic services, and by 2014, we must have achieved the objective of halving unemployment and poverty.
- The economic focus must shift from growth to "shared growth". This will bring in those who are outside the first economy, ensuring that economic services and justice is accessible to all. It is important to utilise the networks and partnerships that we have between private sector/public sector, government/NGOs, SMMEs, etc.
- Whilst the SA government has begun to position women more aggressively in the economy, women need to take charge of their own economic emancipation and not rely solely on government to do this. Government must continue to be the main facilitator but women must lead the process.

If the ASGI-SA doesn't work for women, it won't work for the rest of South Africa!
Women must meaningfully benefit from all the resources allocated and actively participate in the process of growing the SA economy.

3.2 WOMEN and the BEE PROCESS

- Equality and Equity are the Cornerstones of our democracy, yet women have still not been major beneficiaries of the BEE process. Whilst there are signs of professional development amongst women, this should not be mistaken as an indication of women's economic participation.
- Empowering women, and in particular black women, is an economic factor. This has, and will continue to increase the social living standards of SA families. In the SA society, women are still the primary caregivers of children and the elders. By empowering a woman, government is including the whole family in the economic uplifting, resulting in an automatic multiplier effect.

The following is recommended for immediate implementation of ASGI-SA with regards to Women and BEE:

- **Facilitate Women Led BEE Deals:** Lobby the Private sector to work with government in identifying opportunities that can facilitate the process of helping women to start originating their own transactions and formulating their own consortia, in order to give more direction to the transaction.
- **Compilation of a Black Women Business Directory.** This will highlight summaries of business profiles of women's enterprises, as well as their contact details. It will be circulated to various government and private sector organizations for procurement services, as well as other business dealings.
- **Maximise Codes of Good Practise and the Sector Charter Benefits for Women:** Introduce an overall 30% quota as part of standardizing women's participation and representation in various areas of the scorecard and business sectors. This will strengthen the current policy and implementation process.
- **Identify Government Procurement Areas that can be reserved for women:** This will include identifying government work areas where women's services can be accessed. Coupled with this, will be the introduction of the 30% quota as a national measure for national government's overall procurement policy. This should be part of the urgent amendment of the preferential procurement act.
- **Introduce A national Procurement Training Course for Women:** As part of the National Skills Programme, SETA's to work with the National Committee of Business Women's Organizations (NCBWO) on how best to target women in business together with relevant government departments. This training will also focus on the ABC's of engaging in BEE deals.

3.4 ACCESS TO FINANCE

Facilitating easy access to finance will be the greatest challenge for ASGI-SA in achieving its objectives of mainstreaming women in all its activities. Easy access to finance, in all its forms, is an integral issue for growing and sustaining women owned and managed enterprises in South Africa. As noted in the Financial Sector Services Charter, low levels of participation, meaningful ownership, control, management and high-level skilled positions by black women characterize the financial sector. To enable ASGI-SA to eradicate obstacles hindering access to finance for women, the following interventions are proposed:

- **Introduction of the 30% Quota:** This will be implemented through the immediate revision of the current criteria set for accessing all government finance institutions and programmes. These will include targeting the IDC, the NEF, KHULA, APEX, MAFISA, the Land Bank, Business Partners, etc.
- **Share Warehousing for Women:** This will include engaging the IDC, NEF and PIC, to set aside a certain amount of funding to be used to actively facilitate acquisitions by women for Black Economic Empowerment transactions. When privatisation of state assets takes place, this fund will play a major role.
- **Establishment of the SA Women's Business Support Development Fund:** Currently being discussed by **the dti**, this fund is critical in facilitating the growth and expansion of women's enterprises. Being a catalyst in creating women led

market enterprises; it will address the lack of women's participation in the financial markets. The proposed target loan size is from R250, 000 - R5 million.

- **Facilitating easy access for women:** This will include government utilising the Post Bank as a retail outlet in rural areas to facilitate access to micro-credit. Other private sector institutions such as CAPITEC bank with an already existing network should be included as well.

3.5 MAINSTREAMING WOMEN IN THE ASGI-SA INVESTMENT SECTORS.

As recommended in **the dti** strategic framework on gender and women's economic empowerment, the major focus of ASGI-SA should be in sectors where the majority of women are already active. These are the Creative Industries (Craft linked to Tourism), Minerals and Energy, Agriculture and Agro-Processing, Clothing and Textile. Potential growth sectors, where opportunities are presented by ASGI-SA, will lead to much focus on the Construction Industry, prioritizing areas like Project Management and Property Development. For ASGI-SA, the following interventions are proposed for adoption:

- **Creative Industries (Craft linked to Tourism),** The Arts and Crafts industry is a big sector for women, especially rural women. Women need to be empowered through capacity building and training, in order to make the right decisions in terms of manufacturing products and marketing them. Also, training women in producing proudly SA souvenirs mainly targeting rural women is critical. **the dti** institutions, including SEDA and TISA, should provide support programmes specifically targeting women as part of their export readiness programmes. The creative industry presents women with additional opportunities and these must be explored.
- **Minerals and Energy linked to Bio fuels and Beneficiation:** Embark on a training programme through DME. This should be on opportunities available, acquisition of knowledge, technical skills acquisition and project management skills. Rights issues with regards to access, ownership and control of property and mainly land must be looked at. Jewellery industry must also be prioritised as already planned by DME. Focus must be to expose women to international trends in terms of manufacturing and designing. Strong allies should be further strengthened with countries like India, as part of Trade Agreements.
- **Introduction of National Programme on Business Process Outsourcing (BPO).** Driven by DOC, training should be provided on business opportunities, project management and relevant skills acquisition. Mainly school leavers should be targeted for this initiative. Coupled with this, the telephone costs issue should be looked at.
- **Agriculture and Agro-processing:** As part of NEPAD, ASGI-SA should pursue business opportunities for women in which they can provide agro-processing support services to other African countries. Facilitated by SAWID and SAWEN, an intensive training programme should be facilitated on all required knowledge and technical skills. Private sector companies must be approached to provide relevant support as part of public and private partnerships.
- **Clothing and Textile Industry:** As much as this is a dying sector, training programmes should be embarked upon, refocusing their target markets more to

fashion design, housing and home-ware. Great opportunities do exist here for women's participation and a huge potential has already been witnessed.

- **Establishing a Women's Emporium:** As already proposed by **the dti** strategic framework, this will exhibit best women's products mainly targeted for exporting. Working closely with Women's business organisations as well as local authorities, the emporium will be a marketing house and act as an intermediary for women's products thus replacing the "middle person". This must be accompanied by capacity building initiatives on intellectual property rights.

3.6 WOMEN AND INFRASTRUCTURE DEVELOPMENT (CAPACITY BUILDING).

- **Women and State Owned Enterprises.** This will include sharing business plans of state-owned enterprises, indicating how they will ensure that a specific percentage of the allocated spending goes to women, whether it's supplier development, enterprise development or skill development of women.
- **Women and Infrastructure National Training Programme:** Specifically targeting women in Construction, the programme will be aimed at producing artisans, from plumbers, to painters and boilermakers, all the skills that women don't have, so that as the rollout occurs, women will be available with those skills. Project management skills will be priority in partnership with international agencies through the exchange programme.
- **Build expertise of women in land property acquisition and partner with academic institutions to bring in young architects.** In addition, women's sectors such as property and housing industry must be targeted to play a major role in these sectors. The ministry of housing should facilitate this process as part of ASGI-SA together with relevant institutions.
- **Revisit the BEE construction charter to introduce 30% quota:** This should focus mainly on tender acquisition.
- Targeted local authorities must be brought on board and opportunities given to women in the selling of land, led procurement and other business opportunities. DPLG to facilitate this process, championed by the Ministry.
- There should be a national co-ordinator in **the dti**, to deal specifically with 2010 issues. Her role will be to ensure that women are actually able to access those opportunities that have been identified and also to ensure that they are continuously informed about the existing opportunities.
- The Presidential Women's Working Group - economic cluster committee should be allocated with the responsibility of looking at companies that are being liquidated, with a view to salvaging them and also possibly saving jobs.

3.7 WOMEN AND THE SECOND ECONOMY

SMMEs as part of the second economy remain crucial in ASGI-SA. Work is ongoing to deal with the regulatory environment. Women's micro-enterprises need to be supported in order to make them work better, and access to micro-credit needs to be scaled up.

- Government should prioritise micro-enterprises since these are the potential immediate graduates to fast track the increase of small businesses, especially start-ups. Nafcoc has committed the country to 100 000 SMMEs per annum and government is going to close ranks with Nafcoc to make this happen. Women need to organise themselves to take advantage of this.
- Through SEDA, priority should be to assist women's enterprises in product development. This must focus on training on quality and packaging.
- Women Empowerment Programme to be unrolled after piloting by **the dti** GWE Unit. This is aimed at providing women with hands on training in starting and managing their enterprise.
- The skills development strategy needs to be carefully monitored and the deliverables focused on areas where there is specific skills shortage. SETA's need to focus on delivering relevant programmes for women in business, in partnership with businesswomen's organisations. We need to capitalise on the collective skills and experience currently existing amongst SA women in business and male organisations supportive of these.
- There needs to be a link between community projects and the first economy enterprises. We need to multiply projects like the Community Public Private Partnerships under SEDA.
- NGOs need to be supported to continue working as social entrepreneurs; the kind of activities that include provision of environmental services, waste management, and day-care centres, home based care, etc.
- Launch of the ASGISA-SA national road shows through NCBWO must be prioritised. The aim is to educate women on available business opportunities as part of the implementation plan of ASGI-SA. Access to information will focus on language, simplification and outreach, particularly in the rural areas.
- Introducing specific economic indicators. As proposed by **the dti** strategic framework, women's empowerment should be measured in the areas of research, national data and analysis of the economic statistics, in the GDP, Employment, Investment, Exports, geographical spread, BEE score card and enterprise development.
- Women also need negotiation skills and financial skills in order to successfully operate in business. It was suggested that universities could be approached with a view to reduce costs for certain key modules or courses to fast-track women and empower them in these areas. Government could possibly subsidise such courses. A similar approach could be adopted for women who might not be at university level but could access this kind of training through ABET.
- Introduce the Small Business Payment Guidelines as means of fast tracking an effective payment system for SMMEs.

4. OTHER RECOMMENDATIONS

- Compile and publicise a calendar of events on **the dti** website, indicating the dates of various trade missions that will be taking place throughout the year. The Ministry of Trade and Industry needs to take full responsibility of ensuring that these outgoing trade missions have a 50% representation of women as set in **the dti** internal policies. Women's business organisations should be targeted for these.
- Need to establish and strengthen linkages between businesswomen and those in the corporate world. This will ensure a strong unified voice of women thus enabling ASGI-SA to further facilitate the successful implementation of its overall objectives. Women leaders from the parastatals mainly affected by ASGI-SA are a priority.
- Need to introduce an immediate monitoring system for the local government procurement policy implementation. This should be a part of the broader national policy. As already indicated above, the DPLG ministry and the department must prioritise this matter and seek support when necessary from the national office or other strategic partners.
- NCBWO to continue to be the overall structure rather than reinventing the wheel of SA women's business structures. NCBWO must now focus on how best ASGI-SA can work for women, together with some representatives from the civil society.

5. CONCLUSION

The active participation of women in the ASGI-SA is critical for meeting the overall economic goals of the SA government. ASGI-SA has provided government with another opportunity to fast track women's economic empowerment. Proposals included in this document provide ASGI-SA with immediate additional mechanisms for urgently addressing the challenges of the 2nd economy. While black people comprise the majority of the 2nd economy, women are the majority of those affected because they face the double jeopardy of racial and gender discrimination. The successful engendering of ASGI-SA will ultimately be realized through the provision of the necessary resources like finance and training. Indeed, if ASGI-SA, does not work for women, it simply won't work for South Africa.