THE NATIONAL ASSEMBLY

QUESTION FOR ORAL REPLY

Question 142

Prof E S Chang (IFP) to ask the Minister of Trade and Industry:

(1) Whether his department has any plans in place to increase employment opportunities and job creation in the rural areas; if not, why not; if so, what plans;

(2) Whether there are any plans aimed at job creation for women living in rural areas; if not, why not; if so, what plans?

Response:

(1) The dti’s key policy instrument to increase employment is the implementation of the industrial policy framework. Industrial policy implementation covers a broad range of sectors and takes into consideration geographic spread of industries. Interventions in, for example, the craft industry, chemicals, tourism, clothing and textiles and agro processing will impact on rural and peri-urban economies preserving and creating jobs. In addition to the sector initiatives the dti has formulated One Municipality One Product Programme (OMOP), which constitutes one of the dti’s local economic development interventions. The aim of the programme is to increase employment and reduce poverty in rural and peri urban areas. This will be through assisting municipalities to identify an already existing or creating a new unique competitive local product or service that can be promoted in the local and international markets.

In addition, local people in rural and peri urban areas will be encouraged to form self-help groups that may be formalized into cooperatives. These groups will be provided with support (technical, finance, marketing, cooperative principles and general business skills) in order to start or expand the unique products and services enabling the communities to generate income by making use of local resources. The dti and its agencies working in collaboration with municipalities will facilitate exhibitions (local, national and international) of these products and services as a way of promoting them.

With respect to SMME support, the dti has developed a logical framework with the provinces for improved support for SMMEs. The approach considers product and service integration in the form of a one-stop-shop model for service delivery in this regard. With respect to financial support, the dti is looking at ensuring increased coverage across rural areas by developing a plan to increase access to financial support institutions. There is also a broader process of alignment of relevant policies, strategies, legislation and institutional structures for improved SMME support that will ultimately result in an increase in employment opportunities and job creation in rural areas.

(2) While the above initiatives hold true for all those living in rural areas, as part of the Gender and Women Empowerment Strategic Framework of the dti,
rural women have been identified as a specific group to be targeted. The dti cannot create jobs directly for women but it can and will continue to introduce initiatives aimed at stimulating the creation of these jobs. To promote women entrepreneurship, the dti has recently launched the Isivande Women’s Fund. Through this Fund, the department intends to assist women to access loans between R30 000 and R250 000. In this way women can create jobs for themselves and others.

The South African Micro-Finance Apex Fund also ensures that women-owned enterprises are assisted with loans of up to R10 000. By virtue of the majority of financial intermediaries used by SAMAF being women owned financial intermediaries, this lends to a natural outreach by these financial intermediaries to women owned businesses. Khula will continue to use the credit indemnity agreements with banks to facilitate lending to rural based, women owned, black owned, start up and expansion enterprise initiatives. The cooperatives programme has also reflected a strong outreach to rural and women owned enterprises as these target groups show predominant bias to the cooperative enterprise form.

In order to improve the quality of products being produced by women owned enterprises, the dti has piloted a new skills development and capacity building initiative called Bavumile. Training is provided to a group of 10 women who are exposed to sewing, beading, embroidery and creative design skills. The initiative will be rolled out in four provinces namely, Eastern Cape, Gauteng, Limpopo and Mpumalanga to encourage mass production of the products. The department will assist the women owned enterprises to find a market for these products. An initial group has already undergone training and is producing for an order of about 40000 bags and folders.