



THE INAUGURAL NATIONAL SOCIAL DEVELOPMENT
ENTREPRENEURSHIP COLLOQUIUM
02 – 03 DECEMBER 2021
IDC AUDITORIUM/HYBRID

Thank you, Programme Director,

Honourable Minister Zulu, our Minister of Social Development

Mr Xolani Qubeka, Convenor of this important colloquium and CEO of the Small enterprise management corporation

Esteemed guests,

Ladies and gentlemen,

- On behalf of the Board, the executive management team and the staff of the Industrial Development Corporation, it is an honour for me to welcome you to this inaugural National Social Entrepreneurship Development Colloquium.
- With an unemployment rate of 46.6% (based on the expanded definition) and economic growth at 1.2%, it is about time that we all recognise that entrepreneurship is a key lever in addressing the challenges facing our economy.
- The reality, however, is that entrepreneurial activity in our country remains low, compared to other developing nations. In addition,

pockets of our communities remain excluded from opportunity oftentimes due to their distance from economic hubs.

State of entrepreneurship in the world and South Africa

- South Africa's entrepreneurial activity, it has been noted, has in recent years shown vast improvement, however, the economy still lags behind comparable economies, in terms of the contribution of SMEs to employment creation. As a country, we have yet to fully utilise the economic potential that is available in entrepreneurial opportunities.
- This very important National Social Entrepreneurship Development Colloquium is being hosted at a time when our country needs entrepreneurs more than we have ever done before to flourish, employ people, positively impact and transform their communities.
- It is for this reason, and the long-standing support for the Small Business Development Institute (SBDI), that the IDC accepted the invitation to be a partner and host of this important social development entrepreneurship colloquium.
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- Across the OECD nations (Organisation for Economic Co-operation and Development), which are comprised of 38 countries from North and South America to Europe and Asia-Pacific; small and medium-sized enterprises (SMEs) account for 99% of all businesses and between 50% and 60% of value-added.

- It is reported that nearly one-third of people in OECD member countries are employed in a micro-enterprise with less than 10 employees, and two-thirds are employed in SMEs.
- As the predominant form of business and employment, SME's are also key actors in the promotion of more inclusive and sustainable growth, economic resilience and social cohesion.

Driving Social Inclusion and impact

- The Corporation recognises that connecting marginalised people and places to the larger economy through inclusive, equitable, and sustainable transformation leads to meaningful and lasting change.
- As the leading Development Finance institution in South Africa, a significant stakeholder and role-player in the country's economic fortunes, the IDC has undertaken to leverage its position to address poverty, inequality and unemployment among the most marginalised by supporting entrepreneurs and bringing them into the centre of the economy.
- Our support for entrepreneurs, communities and achieving economic inclusion includes, amongst other things,
 - Building partnerships for development with the public, private, civil society and community sectors;

- Initiating new programmes such as SME-Connect and ‘inclusive business’ approaches that benefit the small, medium and micro-enterprise sector and poor communities through the inclusion into corporate supply and value chains; and
 - Driving opportunities in the social and solidarity economy, including support to social enterprises and social employment.
- The Corporation recognises that connecting marginalised people and places to the larger economy through inclusive, equitable, and sustainable transformation leads to meaningful and lasting change.
- Stimulating and supporting rural and township economies is mainly achieved through traditional funding products, the Social Enterprise Programme (SEP), and the Spatial Intervention Programme (SIP).
- The two tailored programmes SEP and SIP are focused strategically on resolving social market failures, exclusion and creating new opportunities to add social value systematically. They seek to maximise social impact and bring about positive, lasting (sustainable) change through promoting entrepreneurial endeavour and sustainable livelihoods to address inequality, spatially (rural, township) and human (race, gender).
- In the last five years, IDC has provided funding totalling R13.1billion across 100 rural municipalities across all nine provinces. The funded clients are largely in the mining, energy, and chemicals sectors.

- The Corporation, through focused support for the social and solidarity economy and its ecosystem – an area generally underserved by other financiers – has provided R425 million funding to 150 projects over the last eight years, creating more than 7 000 direct jobs and supporting more than 60 000 beneficiaries.

IDC's contribution to the social economy

- In addition to contributing to the dtiC's Green Paper on the Social and Solidarity Economy, the Corporation is actively involved in strengthening social employment through support for government's broader economic recovery agenda and the Presidential Employment Stimulus package.
- The Stimulus package as we all know, seeks to use direct public investment to support employment opportunities, counteracting job losses due to Covid-19, and creating an opportunity for growth and renewal.
- This package now includes social employment, as part of its portfolio of interventions to create jobs and support livelihoods. This extension of the programme to include social employment recognises the crucial role played by non-state actors in communities across the country in creating jobs and contributing to tackling our unemployment challenge.
- The efforts to support social employment will be supported in part through the Social Employment Fund (SEF) that will be managed by the IDC.

- The SEF will contract non-state actors to create and deliver part-time work that serves a common-good purpose.
 - Such work will contribute to building the Social and Solidarity Economy - a vital but often under-recognised part of community-based economic activity and a fertile ground for local entrepreneurship. This builds on IDC's extensive experience in support of the Social and Solidarity Economy.
- Ladies and gentlemen, I mention all this to affirm that the IDC is committed and stands ready to support this much-needed conversation on social entrepreneurship, the role of social enterprises, NGOs and Community-Based Organisations can play in contributing to inclusive socio-economic development and tackling unemployment and poverty in our country.
 - As we applaud the SBDI and the convenors of this colloquium we also wish to recognise government's commitment and support in enabling these critical conversations that will move the country forward.
 - Such support is represented here this morning in the person of the Honourable Minister for Social Development Ms Lindiwe Zulu who I know needs no introduction to this house.
 - Many of us will recall that Minister Zulu is most recently the former Minister for Small Business Development. Her wealth of experience and expertise include her role as a member of the ANC NEC, her sojourn as a student in Moscow and a member of Umkhonto weSizwe.

Her various positions of responsibility saw her representing the country in prestigious positions including as South African Ambassador to Brazil. Minister Zulu was appointed Minister of Social Development in 2019, a portfolio she leads with great enthusiasm in serving the most vulnerable in our society.