WELCOME ADDRESS BY THE MANAGING DIRECTOR & CEO OF THE SBDI SOCIAL ENTERPRISE MANAGEMENT CORPROATION AT THE OCCASION OF THE 1ST NATIONAL SOCIAL ENTREPRENEURSHIP DEVELOPMENT COLLOQUIUM, 2ND & 3RD DECEMBER 2021

As we converge in the inaugural National Social Entrepreneurship Development Colloquium, let us be grateful that all of us, including those joining us virtuall this morning, have lived to see another day. The COVID-19 is a pandemic whose devastation is reminiscent of war times, as a lot of otherwise healthy persons have perished in its wake, living in its rampage widows and widowers, orphans, some of wish added to the child headed homes.

Let me also hasten to wish my sister and Daughter of the Soil, Honourable Minister, Ms Lindiwe Zulu, a speedy passage out of self-isolation, and let the spirits of the ancestors lift her out of the four-square corners and to sprint her back to HER people, whose commitment to is unquestionable. This also extends to ADG Linton Mchunu as well as those colleagues and comrades were in the trenches of social economic development outreach programme together with the Minister.

Indeed, each day is all we have, and therefore we should be grateful to be alive.

I am eternally grateful for the Industrial Development Corporation (IDC) for their generosity and splendour in allowing us once more, to make this auditorium a home away from home yet again, after. For it was exactly seven (7) years ago in 2014 when we hosting our inaugural Nation SMME Policy Colloquium that culminated in five consecutive colloquia. Yet again, as I acknowledge the presence of the IDC Chair, Ms Busisiwe Mabuza, the SBDI and its partners recognises your commitment to development, and your recognition of the SBDIs commitment to socio-economic development and as the IDC's

Social Impact partner is not taken for granted, and through your good warm office my dear sister I wish to convey my sincere gratitude to TP NCHONCHO, the IDC CEO, that when I shared his dream with him on a Saturday morning, by the very next Wednesday we were already holding high level meetings with a strategic team that reports to TP.

I AM BECAUSE WE ARE!

A journey of a thousand steps starts with one step, and this day is significantly historic and epoch building for us at the SBDI and for myself in particular as we are enjoined in our journey by your honourable selves in this room and in the CLOUD Platform, our virtual guests. This would have not been possible if it were not for our committed partners, W&R SETA, Proudly SA, NEF, and the unflinching support from Tiger Brands, represented here today through DIPUNO Fund, an ESD instrument that enables entrepreneurs and small-scale farmers alike to thrive.

Why do we do the things we do, instead of looking the other way? It is our collective responsibility to be a huge part of building this country, and the inherent problems are not the responsibility of government or politicians only. We have a collective responsibility to not only ask the questions, but rather to understand the depth of the challenges that confronts us as a national, and to endeavour to provide solutions within our spheres of influence, and if all of us were to find those square meters of influence that we traverse, we should not be passive players, but influencers of those spaces without being mere rudderless passengers.

Within our midst we have Civil society organisations that have taken it upon themselves to foster the parenthood of those half fortunate than most of us, and they do all they can to show due care, these are men and women of immense and impeccable stature. However, do they receive proportionate returns and ` with me when I say NO!

Most black or rather local NPO’s and CSO’s remain in the fringes of social welfare ecosystems, they tend to depend on perpetual grants that sometimes have to be dug out of donors as if the work they do is welfare in itself. The social welfare work that the Department of Social Development provides is not itself welfare, though it is of a welfare nature. It is a socio-economic development intervention that is aimed at eradicating poverty and hunger, and provides socio stimulus intervention that balances socio economic deficits and stabilises communities, it promotes nutrition and healthy livelihoods, except it does not significantly raise household incomes, and therefore the provision of social grants is an important intervention that infuses capital into the communities and in villages where the smell of money in itself is a luxury, if only more money could circulate and reinvest in the targeted communities.

One of the serious distortions we must confront is that of a lack of equilibrium of Corporate Social Investments (CSI) distribution. The biggest beneficiaries of CSI allocation are white owned operators that continue to harvest huge contributions, and most of them would then sub-contract to black local CSOs at welfare rates, which is not equitable to the efforts. It should be remembered that those CSOs that operates in township and rural communities would normally begin with their social intervention programmes with their own personal or family resources, at a great sacrifice. Consequently, their sweat and blood creates ripe ground for the bigger more supported CSI practitioners.

Why should it be a standard that black NGOs CBOs etc are permanent beggars and recipient of graceful gestures of others, who are supposed to dispense that which they do not produce, and therefore remain holding begging bowls year after year, are we not perpetuating the apartheid socio-economic development architecture whose base was to relegate any effort by blacks a merciful deed?

The recipient of the cream of social welfare grants remain the multinational agencies that uses black African faces full of mucus and dirty torn clothes as Bill boards of extracting billions of charities bound grants that fuel the wealth of principals of international donor communities. Of course, there are exceptions, so let me not be carried away, but my focus is not on the exceptions.

If we are not blinded by the fact that international donor funds are an instrument of exporting international jobs to Africa because those fund management agencies never employ locals in senior strategic positions but their own, and the always fly in External Consultants

It is no secret that the Department of Social Development spend billions in deploying resources under its social welfare mandate, and therefore, the DSD ought to ask itself, what proportion of its budget continues to fatten the already bloated profits of white commercial farmers and manufacturers and related logistics value chains alike?

The recipients of social grants on the other end, remain in the margins as survivalists, this cannot be left to self-perpetuate.

The Social Entrepreneurship Master Plan framework that is going to be conceived in this Colloquium must produce outcomes that would be epoch building and must enable the re-definition and re-delegation of the role of CSOs in to the mainstream of social welfare, from the supply side and become the dominant players of the entire value chain. They must distribute that they produce, and produce what they consume, and arrest the leakages of local revenues, and must be levers that inject capital in to these communities. No one would go to jail if we were to set a target in the first year of 30% of all produce, products and services earmarked for social welfare services should be produced, manufactured and be procured from CSO’s, SMMEs and other social enterprises. Lets paus for a while and imagine how much capital would be infused and circulate amongst the beneficiary communities. Imagine.

We need to invest in social entrepreneurship infrastructure and education, and we need to create strong democratic institutions aimed at the improvement of township and rural economies, and to design and build vibrant local ecosystems that becomes the driving levers for socio-economic development. This should include Community and Cooperative Banks.

Germany has more than 1 500 local or community banks responsible for 70% of the deposits, and big banks for only 12%. In South Africa, the big five banks, you know them, account for 91.3% of the deposits. Big banks prefer big clients and big transactions and are not interested in funding a small business. We need more local and community banks dedicated to funding CSOs and SMMEs because CSO’s and SMMEs can add value to the economy and create significant jobs.

Many studies have attributed the high failure rate of SMMEs to a lack of entrepreneurship, financial management and many others. I will say, most SMMEs cannot compete because of the monopolies and oligopolies in our economy. Secondly, there is no market for goods. If you have 55% of the population living below the poverty line and almost 40% of the population is unemployed, where is the market? Who will buy these products and services produced by SMMEs in this market concentrated economy dominated by big firms? That is why government must concentrate on the demand side interventions of the economy because the supply-side interventions are not bearing any fruit.

Tis august virtual and physical audience must dig deep in their belly, and take bold and decisive steps, and to craft a concise National Social Entrepreneurship Development Master Plan as a foundation from which future generations would bequeath institutional prosperity!

SO IMPLORE YOU! DURING THIS COLLOQUIUM WE NEED TO CHANGE THE CAUSE OF HISTORY FOREVER!

WELCOME AND MAY THE COLLOQUIUM TAKE OFF!