



economic
development

Economic Development Department
REPUBLIC OF SOUTH AFRICA

Economic Development Department Small Business Knowledge Network e-bulletin

It is great to introduce the first Economic Development Department (EDD) small business knowledge network e-bulletin. We are excited to be part of this larger community of people who are actively engaging and charting their path towards a successful future for economic development in South Africa. In the past few years there has been a recognition that a healthy small business sector positively contributes to the economy through creating more employment opportunities, generating higher production volumes and introducing innovation and entrepreneurship skills to the economy. The EDD's small business network aims to build momentum on current practice and discourse in the sector in order to facilitate more effective exchange of knowledge, new ideas, experiences, policy and advocacy considerations in relation to SMMEs and cooperatives and we can support them.

The first event hosted by the network was a discussion concerning the *Financing of Township Economies* which was co-hosted by the University of Johannesburg, at the Soweto campus on 29 July 2013. The network discussions centered on sharing lessons, identifying economic opportunities and harnessing resources that can be better leveraged to enhance existing and future township enterprises. Key industry players and experts from the public and private sector, as well as, academics, provided insights and interacted on strategies for developing financial and non-financial capacity for township enterprises. The intention is for these inputs to ultimately add value to the discourse on small business development which provides the platform for EDD to develop the parameters for a national strategy on township economies.

As part of the EDD Small Business Network follow-up regarding the several potential areas for capacity building for small businesses have been identified, including building capacity for local business chambers. These will likely be implemented in partnership with other relevant social partners in order to deliver effectively on shared objectives. Additionally, one of the most critical points made during the discussion by various stakeholders, was that a baseline study should be commissioned providing an analysis of the impact of various initiatives targeting townships and the impact of various legislation in the sector over the past decade. The baseline would be an informative and useful point of departure in developing a national strategy. Furthermore, it was acknowledged that there is limited data regarding the nature of businesses in the townships and thus data will be crucial in informing the interventions in the national strategy.

A number of participants at the network session confirmed the importance of a continued system wide exchange of ideas and learning around the issues of small business in the context of townships. From a departmental point of view this opens up possibilities for the network to be a useful platform for engagement in the small business space.

If you are interested in participating in the EDD Small Business Network, please contact Leslie Nyagah on LNyagah@economic.gov.za . If you would like to engage on issues concerning small business and township economies, please contact Refiloe Ogude on ROgude@economic.gov.za

