

GAUTENG INFORMAL BUSINESS SECTOR STRATEGY

eThekweni Municipality

2nd December 2014



GAUTENG PROVINCE
ECONOMIC DEVELOPMENT
REPUBLIC OF SOUTH AFRICA

PRESENTATION OUTLINE

- Rationality for the Strategy
- Strategic objectives
- Departmental policy direction
- Methodology for GIBSS development
- Stakeholder engagements
 - Key findings on municipalities
- Overview of the Draft Strategy
 - Recommended Key Focus Programmes & Action Plan

RATIONALE FOR THE STRATEGY

- Significance for job creation & economic growth (ILO)
 - ±3 million people in SA employed (significant proportion in GP)
- National & provincial policy frameworks guiding development of the informal business sector
- Challenges includes:
 - Lack of access to finance and financial services
 - Inconsistent methods of enforcement and non-compliance
 - Lack of access to markets, insufficient business infrastructure
 - Low level of skills development and technology support
 - Lack of enterprise development and business development models
 - Poor stakeholder management systems, etc.
- Need for a systematic strategy to bridge the policy void & ensure coherence, integration & coordination of support programmes

STRATEGIC OBJECTIVES

1. Providing strategic direction and integrated support for the sector by 3 spheres of govt in GP
2. Strengthen the capacity of the informal business sector
3. Mainstreaming the informal traders by ensuring that the informal business entrepreneurs are included across the different sectors' value-chain
4. Incorporate the informal sector into the Township Economy Revitalisation Programme
 1. Enterprise development initiatives
5. Promote radical transformation and inclusive economic growth through the informal economy

GDED POLICY DIRECTION

- Formal engagements between the Dept, Agencies & the sector
- Informal Business Sector Summit (July 2013)
 - Development of the Strategy
 - Establish the Informal Business Sector Forum
 - Expand GEP support measures
- MEC & MMCs meetings in supporting the sector
- Currently developing GIBSS
 - Established the Steering Committee
 - Informal Business Sector Forum as a platform for consultations
 - Stakeholder engagements

METHODOLOGY

- In-house project
- Baseline Study (2012)
- Literature and desktop overview
- Benchmarking and best practices
 - Site visits
- Stakeholder consultations:
 - Analysis of the salient features
 - Open ended questionnaires
 - Draft Strategy
 - Multi-stakeholder workshop
- Launch the Strategy at Winterveld

MAIN STAKEHOLDERS

| NATIONAL | PROVINCIAL | LOCAL |
|----------|------------|-----------|
| The DTI | KZN | CoT |
| DSBD | Free State | CoJ |
| SETA | Cogta | CoE |
| SITA | SALGA | West Rand |
| | | Sedibeng |

- Provincial Agencies
- Informal Business Owners
- Private sector
- One-on-one consultations
- Envisaged high-level consultation at IGR forums

SYNOPTIC OVERVIEW OF GIBSS

SECTION 1:
INTRO

SECTION 2:
PROFILE OF
THE
INFORMAL
BUSINESS
SECTOR

SECTION 3:
POLICY
FRAMEWORK
& ALIGNMENT

SECTION 4:
MUNICIPAL
POLICIES &
DATA ANALYSIS

SECTION 5:
KEY FOCUS
PROGRAMMES

SECTION 6:
ACTION PLAN

KEY FOCUS PROGRAMMES



KEY FOCUS PROGRAMMES

- **Non-financial support to informal business owners**
- **Establishment of an Advisory Body on curriculum for training programme**
 - Establishment of an integrated and synchronized high impact training programmes for informal business owners across the province
 - Develop Provincial common automated database
- **Financial support to informal business owners**
 - Business Plan Development support for accessing funds
 - Phase 3: GEP Community Fund
- **After-care & mentorship**
 - Providing mentorship to the beneficiaries of the grant
- **Shared facilities and infrastructure**
 - Informal Business sector infrastructure development

KEY FOCUS PROGRAMMES (cont.)

- Review of policies, regulations and by-laws
 - Development of the informal trading policies and by-laws by all municipalities
- Law enforcement and proper monitoring system
 - Provision of training to law enforcement officers on the automated database system
- Supporting informal trading in the townships
 - Conduct a pilot study of townships affected by illegal subletting
 - Construction of a Shared Warehousing Facility to facilitate bulk-buying for informal business owners in the retail sector (spaza shops) in the townships

KEY FOCUS PROGRAMMES (cont.)

- Supporting informal trading in the townships (cont.)
 - Develop a Law to regulate the incorporation of flea markets and other trading facilities
 - Construction of flea markets and trading facilities adjacent and inside the shopping malls in the townships
 - Procurement of informal business sector services during the construction of the Township Enterprise Hubs
- Social protection to informal business owners
 - Registration of graduated informal business owners for social security benefits

THE WAY FORWARD

- Stakeholder consultations on Draft Strategy
 - Finalize inputs and recommendations
 - Source buy-in on programmes
 - Implementation participation
- Recommend an approval
 - Projects for implementation
 - Proposed budget
- Launch of the Strategy
 - At Winterveld as per EXCO directive

THANK YOU