



PROVINCE OF KWAZULU-NATAL  
ISIFUNDAZWE SAKWAZULU-NATALI

# PROVINCIAL HUMAN RESOURCE DEVELOPMENT STRATEGY

NATIONAL DEVELOPMENT  
PLAN 2030

Our future -  
make it work



Goal ... : SO....

# **Edtea KZN Presentation**

## **Developing and managing sector – based entrepreneurial opportunities**

**C M Dube**

'A Prosperous Province with a Skilled Population'

# KZN ECONOMIC COUNCIL

## Objectives of SMMEs & Cooperatives Accord Chapter 2

- To collaborate and undertake joint initiatives aimed at promoting small enterprises who will play a vital role in creating business and employment opportunities
- To facilitate collective socio-economic action

# PGDP AWG4 Overview

- Strategic Objective: Develop SMMEs and entrepreneurial development.
  - Increase in the number of SMMEs and cooperatives established
  - Increase in survival rate of SMMEs and cooperatives
  - Increase in the number of jobs generated by SMMEs and Cooperatives

## STANDING POLICIES AND THE EFFECT OF POLICY IMPLEMENTATION

Policy/Finding	Relevance
The Constitution of the Republic of South Africa s 217 (1)	..system that is fair, equitable ,transparent competitive and cost effective
Preferential Procurement Regulations, 1 April 2017,sec 5 of PPPFA Reg 4	Defines pre qualifying criteria to advance certain designated groups e.g. EME, QSE etc.
Preferential Procurement Regulations, 1 April 2017,sec 5 of PPPFA Reg 8	The dti, in consultation with National Treasury..may designate a sector, product(s) or industry ..in accordance with national development and industrial policy for local production and content
KZN Supply Chain Policy Framework 2017	Prescribes specific goals for advancing targeted groups – Black African (Women, Youth, Disabled and Military Veterans)
KZN Procurement Indaba	Empower Blacks in general and Africans in particular .(Women 30%; Youth 35%; people with disabilities 5%; Military Veterans 10%; and 60% in general to Africans

## Local Economic Growth factors for consideration

- Urban (majority) , peri-urban and Rural ( National Development Planning commission- 85% of all economic activity is generated by a network of towns and cities)
- Human capital development
- Entrepreneurial development
- Financial Capital and Access to Finance
- Markets
- Proximity to business support
- Social capital: interactive resources among economic agents, e.g., in the form of network access and use, that support economic synergy;
- Knowledge capital:
- Technological innovation and regional growth dependant
  - Innovative culture and action, and
  - public infrastructure.

## KZN Comparative Advantage study

District Municipality	Sector
Amajuba	<p><b>KEY SECTORS:</b>  <b>Metal Manufacturing ;Coal Mining ;Textiles and Clothing</b>  <b>EMERGING</b>            Wholesale and retail trade; Chemical <b>manufacturing</b></p>
Ugu	<p><b>KEY SECTORS:</b>  <b>Forestry and Timber production</b>            Agriculture –sugar cane; macadamia nuts ;<b>Domestic Beach Tourism;</b>            Quarrying ;Furniture production ;Telecommunication ;<b>Food processing</b></p>
UMgungundlovu	<p><b>KEY SECTORS:</b>            Agriculture: vegetables; chicken ;<b>Forestry and logging ; Leather and Footwear production ;</b>Public Administration ;<b>Collection and purification of water</b></p>
Zululand	<p><b>KEY SECTORS:</b>            Livestock farming – Nguni cattle ; <b>Forestry and logging ;</b>Coal mining  <b>Cultural (Zulu) tourism</b></p>

## KZN Comparative Advantage study

District Municipality	Sector
Umzinyathi	<p><b>KEY SECTORS:</b> Coal mining ;Battle fields tourism ;Skins processing</p>
Umkhanyakude	<p><b>KEY SECTORS:</b> Agriculture: pineapples; sugar cane ;<b>Eco-tourism: Isimangaliso</b> <b>EMERGING</b> Wholesale and retail trade to Mozambique</p>
Ilembe	<p><b>KEY SECTORS:</b> Agriculture – sugar cane ;<b>Agro-processing ;Wood processing</b> Plastics and packaging <b>EMERGING</b> Property development and real estate ;Beach resort tourism</p>
Ethekwini	<p><b>KEY SECTORS:</b> <b>Chemical Manufacturing ;Transport and logistics ;Automotive manufacture</b> ;Electronics ;Finance and insurance; Event tourism <b>EMERGING</b> <b>Green economy ;Air transport</b></p>

‘A Prosperous Province with a Skilled Population’

## KZN Comparative Advantage study

District Municipality	Sector
Uthungulu	<p><b>KEY SECTORS:</b>  <b>Forestry and logging ;Wood products manufacturing ;Water Transport ;Mineral mining ;Metal manufacturing ;Non-metallic heavy manufacturing</b>  <b>EMERGING</b>            Construction and engineering</p>
Harry Gwala	<p><b>KEY SECTORS:</b>            Agriculture – dairy farming ;<b>Agro-processing – dairy ;Forestry Wood products ;Eco-tourism</b></p>
Uthukela	<p><b>KEY SECTORS:</b>            Agriculture: Crop farming ;<b>Land and Water Transport ;Clothing and textiles ;Food processing: Pork products ;Eco-tourism: Drakensberg</b></p>

# GAPS AND MISALIGNMENT IN IMPLEMENTATION

- “Set Aside” vs Targeted Procurement
- Definition of “Blacks” vs KZN’s “African in particular”
- State of readiness of small enterprises
- Literacy, including financial literacy
- “Entrepreneurship spirit”
- Overlapping business support roles e.g. government, agencies vs TVET
- Geographical spread of business support institutions
- Tertiary education vs external needs requirement
- Development on an entrepreneur, small enterprise owner or build around existing skills ?
- Exposure – to trigger ideas and innovation, including school visits to assist in career choices
- “Entrepreneurship in schools” and Communities
- Informal traders

## HIGHLIGHTS ON PROGRESS ON INTERVENTIONS AND ACTIVITIES ALREADY IMPLEMENTED (KZN ECONOMIC COUNCIL Social Partners /Edtea)

- Master Cateres' Challenge – Bakery focus
- Cooperative management, business skills, good governance & compliance
- Financial aid to students registered for the discipline in the management of cooperatives
- Business and management skills training
- Community based dialogues and information sessions
- 108 SMMEs incubated in Mangosuthu Technology Station in chemicals
- 20 SMMEs and Cooperatives mentored in business and management skills
- 50 SMMEs – Transnet Enterprise Development Project
- Pre-finance business support programme in partnership with Seda KZN

## PROGRESS ON INTERVENTIONS AND ACTIVITIES ALREADY IMPLEMENTED

- Development of a Framework towards revitalisation of township and Rural Economies
- Radical Agrarian Socio-Economic Transformation Mechanism (“RASET”) Masterplan being finalised
- Maximizing Public Procurement for Radical Economic Transformation through Operation Vula (development)
  - Commodities
    - Bakery; Clothing and Textiles ;Furniture ;Paper and Pulp ; Construction; Cleaning detergents.
    - Additional commodities have been approved by the Province
- State of readiness of small enterprises being assessed – (Market assessment Template)

# RECOMMENDATIONS

- KZN Provincial Treasury to engage national counterparts on “African in particular” as KZN target
- Introduction of practical “Entrepreneurship in schools” and communities
- Bridge the gap between business support agencies, tertiary institutions and other stakeholders throughout the value chain
- Incubate small enterprises so that they focus on skills
- Emphasise on Technical skills
- Develop a clear and acceptable process flow and support from idea generation to implementation
- Development of emerging business support groups/ individuals with a clear understanding of the small enterprise operating environment
- Database identifying gaps and development needs of entrepreneurs/ small businesses



THANK YOU



'A Prosperous Province with a Skilled  
Population'