



**National case study
Republic of South Africa**

**THE NEED FOR A STATE – CIVIL SOCIETY DIALOGUE TO DEVELOP
PUBLIC POLICIES FOR THE SOCIAL AND SOLIDARITY ECONOMY**

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A Word from Margie Mendell

President, Research Committee FIESS

A Research Committee of the FIESS, made of academics and representatives from Canadian and international organizations, was convened to prepare five working papers on the Forum's themes, one synthesis paper on the broad theme of FIESS and six case studies. These background documents are available thanks to the generous support of three major partners of FIESS: the International Development Research Center (IDRC), the International Labour Organisation (ILO), the Center for International Studies and Cooperation (CECI) and Human Resources and Skills Development Canada (HRSDC).

The objective of the working papers, written by experts on each of the five FIESS themes, is to provide an overview of the challenges and issues raised by each of the Forum's themes (territory and local development; innovation and collective entrepreneurship; solidarity finance; work and employment and food security and sovereignty) and the relations between government and civil society in several countries that are useful illustrations of collaborative approaches to policy formation. These papers document experiences in many parts of the world that have significant heuristic value; they are not presented as best practices or as models to replicate. They situate the discussions in different national contexts and introduce pertinent theoretical debates on the role of the social and solidarity economy today. As the social and solidarity economy continues to evolve, these papers are offered as a "work in progress". Their purpose is to stimulate debate and discussion among FIESS participants.

The case studies are not limited to a single experience within each country. They include a variety of initiatives (national, regional or municipal) and provide an overview of the current and potential partnerships between government and civil society. The case studies document a broad array of experiences in six countries on four continents where the social and solidarity economy has made significant progress (Canada, Brazil, Mali, Bolivia, Spain and South Africa). More specifically, they describe the processes underlying the co-construction of public policy that address one or more of the forum's themes. Each case study was co-authored by practitioners and local researchers and coordinated by the Research Committee, reflecting the commitment of the Forum to develop and nurture an ongoing dialogue between the different actors engaged in the social and solidarity economy and to create opportunities for collaboration.

As President of the Research Committee, I would like to thank all its members for their hard work and dedication. Finally, as you will notice, these papers have been written in several languages. They are available in their original language except for the Brazilian case study which was translated into Spanish. I hope these documents will inspire a rich and constructive dialogue among FIESS participants and contribute to the growth of social and solidarity initiatives throughout the world.

Présentation des activités de recherche

Margie Mendell

Présidente du comité scientifique du FIESS

Un comité scientifique du FIESS, incluant des chercheurs du milieu universitaire et des représentants d'organisations canadiennes et internationales, a été formé pour préparer des documents de travail portant sur les cinq thématiques du forum, une recherche transversale et six études de cas. Ce projet a pu voir le jour grâce à la volonté et au soutien de trois partenaires majeurs de l'événement, soit le Centre de recherche pour le développement international (CRDI), l'Organisation internationale du travail (OIT), le Centre d'étude et de coopération internationale (CECI) et Ressources humaines et Développement des compétences Canada (RHDC).

L'objectif de ces documents de travail est de dresser un état des lieux synthétique des enjeux et des défis entourant chacun des cinq sous-thèmes du forum, (territoire et développement local, innovation sociale et entrepreneuriat collectif, finance et commerce solidaires, emploi et travail, sécurité et souveraineté alimentaires) et de faire le point sur l'état de la recherche sur ces questions tout en faisant ressortir les enjeux liés aux relations entre les pouvoirs publics et la société civile. Ces textes abordent les différentes problématiques de manière générale en incluant des exemples pertinents mettant en évidence les enjeux et les défis liés aux questions soulevées. Ces exemples sont davantage des illustrations que des modèles à reproduire. Pour réaliser ces travaux, le comité scientifique a invité plusieurs experts reconnus sur chacun de ces cinq thèmes à se pencher sur la pertinence des initiatives d'économie sociale et solidaire comme réponse aux grands défis rencontrés dans ces différents domaines.

Par ailleurs, ces documents n'ont pas la prétention d'imposer une vérité ou d'orienter les échanges qui auront lieu durant le forum, mais bien d'offrir une mise à jour aux participants et de nourrir les discussions et les débats. Ces recherches peuvent être considérées comme des travaux en cours (*work in progress*) qui devront être poursuivis par les participants. Enfin, ces documents permettent également de situer dans un contexte plus large les études de cas nationaux.

Les études de cas ne se limitent pas à une expérience par pays mais couvrent un ensemble d'initiatives (nationales, régionales ou municipales) et donne un aperçu des relations et des éventuels partenariats entre les pouvoirs publics et la société civile dans un pays donné. Plus précisément, les chercheurs ont étudié, en partenariat avec des praticiens, les dynamiques de co-construction de politiques publiques en faveur de l'économie sociale et solidaire et en lien avec un ou plusieurs des cinq thèmes du forum. Les études de cas offrent un large éventail d'expériences à travers l'étude de 6 pays sur quatre continents où l'économie sociale et solidaire a connu des avancées significatives (Canada, Brésil, Mali, Bolivie, Espagne et Afrique du Sud).

Chaque étude est le fruit d'une collaboration entre praticiens et chercheurs locaux coordonnée par le comité scientifique. En ce sens, ces travaux s'inscrivent naturellement dans ce forum voué à la construction d'un dialogue pérenne entre les différents acteurs de l'économie sociale et solidaire.

En tant que présidente du comité scientifique, j'aimerais remercier tous ses membres pour leur travail assidu et leur dévouement. Enfin, comme vous pourrez le constater, ces travaux ont été réalisés en plusieurs langues. Ils sont disponibles dans leurs langues originales, sauf l'étude de cas sur le Brésil qui a été traduite en espagnol. J'espère que ces documents vont inspirer un dialogue riche et constructif entre les participants du FIESS et que, de ce dialogue, naîtront des initiatives concrètes en faveur de l'ESS.

Presentación de las actividades de investigación

Margie Mendell

Presidenta del comité científico del FIESS

Un comité científico del FIESS, compuesto por investigadores universitarios y representantes de organizaciones canadienses e internacionales, fue formado para preparar documentos de trabajo sobre los cinco temas del foro, un estudio transversal y seis estudios de caso. Este proyecto ha sido posible gracias a la voluntad y el apoyo de tres de los socios principales del evento, que son el Centro de Investigaciones para el Desarrollo Internacional (IDRC), la Organización Internacional del Trabajo (OIT), el Centro de Estudios y de Cooperación Internacional (CECI) y Recursos humanos y Desarrollo de capacidad Canadá (RHDC).

El objetivo de estos documentos es proporcionar un resumen general de las cuestiones y desafíos de cada uno de los cinco sub-temas del foro (Territorio y desarrollo local, Innovación y emprendimiento colectivo, Finanza y comercio solidarios, Empleo y trabajo, Seguridad y soberanía alimentarias) y ofrecer un estado de la situación de la investigación sobre estos temas, destacando además las cuestiones vinculadas con las relaciones entre los poderes públicos y la sociedad civil. Los textos tratan los temas de una manera general, mediante la inclusión de ejemplos relevantes que destaquen los asuntos y desafíos relacionados con las cuestiones planteadas. Estos ejemplos son ante todo planteados a modo ilustrativo, más que modelos a replicar. Para realizar estos trabajos, el comité científico ha invitado a varios expertos reconocidos en cada uno de estos cinco temas para examinar la pertinencia de las iniciativas de economía social como respuesta a los grandes desafíos en estas áreas.

Además, estos documentos no pretenden imponer una verdad o dirigir los intercambios que tendrán lugar durante el Foro, sino que representa un intento de proporcionar a los participantes una actualización sobre los temas y alimentar las discusiones y debates. Estas investigaciones pueden considerarse como un trabajo en progreso (*work in progress*) a perseguir por los participantes. Por último, estos documentos permiten también insertar los estudios de casos nacionales en un contexto más amplio.

Los estudios de casos no se limitan a una experiencia por país, sino que abarcan una serie de iniciativas (nacionales, regionales o municipales) y describen las relaciones y las posibles colaboraciones entre los poderes públicos y la sociedad civil en un país dado. En concreto, los investigadores estudiaron, en colaboración con los profesionales, las dinámicas de co-construcción de políticas públicas para la economía social y en relación con uno o más de los cinco temas del foro. Los estudios de casos ofrecen una amplia gama de experiencias a través del estudio de seis países en cuatro continentes, donde la economía social ha experimentado avances significativos (Canadá, Brasil, Mali, Bolivia, España y Sudáfrica).

Cada estudio es el resultado de una colaboración entre profesionales e investigadores locales coordinados por el comité científico. En este sentido, estos trabajos encajan adecuadamente en un foro dedicado a la construcción de un diálogo permanente entre los diferentes actores de la economía social y solidaria.

Como Presidenta del Comité Científico, quisiera agradecer a todos los miembros por su duro trabajo y dedicación. Finalmente, como usted habrá podido notar, estos trabajos se han realizado en varios idiomas. Todos están disponibles en su idioma original, a excepción del estudio de Brasil, que ha sido traducido al español. Espero que estos trabajos inspiren un diálogo rico y constructivo entre los participantes del FIESS y que de este diálogo puedan surgir iniciativas concretas para la ESS.

EXECUTIVE SUMMARY

South Africa is currently looking at its Social and Solidarity Economy (SSE) as a source of job creation and there is renewed interest in all enterprises within the sector as indicated in the new macro-economic policy, better known as the New Growth Path.

The fact is that, while the growth in some Social and Solidarity Economy Organisations (SSEOs) is disappointing, some of the world's best social enterprises can be found in South Africa – a developing country facing many challenges with the creativity that comes along with resilience in the face of adversity and poverty.

Government's commitment resulted in a renewed interest in the sector which is drawing new stakeholders, intermediaries and investors. There are a few networks within the NPO sector, but a body that can comprehensively represent all the different stakeholders within the SSE still needs to emerge as the sector is rearranging itself. However, government consults comprehensively with the SSEOs and most interviewees agreed that policies for the SSEO are enabling – the problems that occur are on the implementation level.

Government policies are directed to a more inclusive economy and special attention is paid to People With Disabilities (PWDs), women and broad-based black economic empowerment (BBBEE) focus on inclusiveness in the economy for previously disadvantaged individuals. There are still problems on the implementation level, but the SSE is more inclusive than the private sector.

There are great examples of public-private partnerships between the SSEOs and government at all levels. There are many examples of government providing infrastructure, land and buildings for community development purposes serving poor communities.

The NPO sector is emerging as a major employer – in particular as an employer of women and black people. The growth of this sector may have to do with the large amount of government assistance as the sector is largely fuelled by grants. Yet, access to finance remains a burning issue and some protective workshops find it hard to cope with the minimum wages laid down by the different bargaining councils. The decent work agenda may have to be compromised in terms of compliance with the minimum wage and health and safety regulations.

Cooperatives have tremendous potential for job creation in South Africa and in particular the Economic Development Department as well as the Department of Trade and Industry are pushing for a higher success rate for these community-based organisations in the SSE. The new Cooperatives Act (No. 14 of 2005) facilitated an unprecedented boom in the registration of new cooperatives in various sectors and this figure quadrupled the numbers that were registered during the previous 82 years (1922-2004). The majority of these cooperatives are black women-owned. However, despite the deep commitment from government and these promising figures, the mortality rate of cooperatives is 88%. This high failure rate is attributed to a number of factors ranging from interpersonal conflicts and low literacy levels, to a lack of training, coaching and mentoring. There are multiple causes for the failures and these are affirmed by case studies within the sector.

Whereas the cooperatives pose a tremendous challenge to the country, South Africa is one of the first countries in the world to introduce a social stock exchange which has, since its inception raised R14.65million for 73 projects designed to benefit a total of 78,268 individuals.

Social enterprises or enterprising non-profits are emerging as an alternative to cash-strapped charities, but the rise of social enterprises is not supported by legislation and it is expected that

South Africa will move in the direction of something similar to the “community interest companies” in the UK.

The most important finding is that, while South Africa has enabling policies and adequate consultation with stakeholders in constructing policies, there is a lack of “policy enablers” to ensure success at the implementation level. Should government be able to put “policy enablers” in place together with a system of thorough monitoring and evaluation, the anticipated jobs will be created.

RÉSUMÉ

En Afrique du Sud, l'économie sociale et solidaire (ESS) est de plus en plus vue comme une source de création d'emploi. Il y a par ailleurs, un regain d'intérêt pour l'ensemble du secteur comme le montre la nouvelle politique macroéconomique, mieux connu sous le nom de « New Growth Path ».

Bien que la croissance de certaines organisations d'économie sociale et solidaire (OESS) soit quelque peu décevante, on trouve certaines des meilleures entreprises sociales en Afrique du Sud – un pays en développement qui, en affrontant de nombreux défis avec créativité, a développé une certaine capacité de résistance face à l'adversité et à la pauvreté.

L'engagement du gouvernement s'est traduit par un intérêt renouvelé pour le secteur qui attire de nouveaux acteurs, intermédiaires et investisseurs. Il existe plusieurs réseaux au sein du secteur à but non lucratif, mais dans un contexte de restructuration du secteur, il existe toujours un besoin pour un organe global représentant l'ensemble des acteurs de l'ESS. Cependant, les gouvernements consultent régulièrement les OESS et la plupart des personnes interrogées s'accordent à dire que les politiques touchant aux OESS sont facilitatrices – les problèmes se situent plus au niveau de leur mise en œuvre.

Les politiques publiques travaillent à construire une économie plus inclusive en portant une attention particulière aux personnes handicapées, aux femmes et à la capacitation (*empowerment*) économique général des noirs. Ainsi, malgré certains problèmes de mise en œuvre, l'ESS se montre plus inclusive que le secteur privé.

Il existe de très bons exemples de partenariats public-privé de toutes sortes entre les OESS et les pouvoirs publics. Parmi eux, on trouve de nombreux exemples de contributions publiques (infrastructures, terrains, ou bâtiments) permettant le développement des communautés désavantagées.

Le secteur à but non lucratif est un employeur de taille; tout particulièrement pour les femmes et les personnes noires. La croissance de ce secteur dépend en partie de l'important soutien du gouvernement qui le subventionne largement. Ceci dit, l'accès au financement reste un enjeu de taille et certaines entreprises sociales éprouvent des difficultés à poursuivre leur activité avec le salaire minimum imposé par les conventions collectives. L'agenda du travail décent pourrait devoir être révisé sur ces questions, ainsi que sur celles touchant à la santé et aux normes de sécurité.

Les coopératives recèlent un gigantesque potentiel de création d'emploi en Afrique du Sud. De plus, le département du développement économique ainsi que le département du commerce et de l'industrie appuient l'expansion de ces organisations communautaires au sein de l'ESS. La nouvelle loi sur les coopératives (No. 14 de 2005) a facilité une augmentation sans précédent des enregistrements de nouvelles coopératives dans divers secteurs. Par ailleurs, il est à noter que ce chiffre a quadruplé au cours des 82 dernières années (1922-2004). La majorité de ces coopératives sont détenues par des femmes noires. Cependant, malgré l'important engagement du

gouvernement et des chiffres prometteurs, le taux de mortalité des coopératives est de 88%. Ce faible taux de survie peut s'attribuer à de nombreux facteurs allant des conflits interpersonnels à un bas niveau d'alphabétisation en passant par un manque de formation, d'accompagnement et de mentorat. De nombreuses causes d'échec existent et sont confirmées par des études de cas au sein du secteur.

Bien que les coopératives posent de gros défis au pays, l'Afrique du Sud est un des premiers pays du monde à avoir introduit une bourse d'échange sociale qui a, depuis son lancement, levé USD 1.83 million pour 73 projets élaborés et bénéficiant à un total de 78 268 individus.

Les entreprises sociales ou à but non lucratif apparaissent comme une alternative aux organisations de bienfaisance qui manque de financement, mais le développement des entreprises sociale n'est pas soutenu par la législation. Pour pallier ce manque, l'Afrique du sud pourrait se diriger vers une forme juridique semblable au « community interest companies » du Royaume Uni.

La plus importante découverte est que, alors que l'Afrique du Sud a des politiques facilitatrices et des processus de consultation adéquats auprès des acteurs pour l'élaboration des politiques, il existe des lacunes au niveau de la mise en œuvre de ces politiques. Si le gouvernement mettait en place un environnement facilitateur (« *policy enablers* ») avec un système minutieux de contrôle et d'évaluation, les emplois attendus pourraient être créés.

RESUMEN EJECUTIVO

Sudáfrica ya ve su Economía Social y Solidaria (ESS) como una fuente de creación de empleo y hay un interés renovado en todas las empresas del sector que se indica en la nueva política macroeconómica, conocida como "New Growth Path" (nuevo camino para el crecimiento).

La cuestión es que, mientras que el crecimiento en algunas organizaciones de la Economía Social y Solidaria (OESS) resulta decepcionante, algunas de las mejores empresas sociales del mundo se encuentran en Sudáfrica, un país en desarrollo que se enfrenta a los numerosos retos que se le plantean con la creatividad que acompaña a la resistencia frente a la adversidad y a la pobreza.

El compromiso del Gobierno dio como resultado un nuevo interés en el sector, que está definiendo nuevos accionistas, intermediarios e inversores. Hay algunas redes dentro del sector de las organizaciones sin ánimo de lucro, pero todavía es necesario que aparezca un organismo que pueda representar a todos los interesados dentro de la ESS ahora que el sector se está auto renovando. Sin embargo, el gobierno consulta frecuentemente a las OESS y la mayor parte de los entrevistados coincidieron en que las políticas destinadas a este tipo de organizaciones eran habilitadoras: los problemas que se plantean aparecen en el momento de su puesta en práctica.

Las políticas gubernamentales están dirigidas a conseguir una economía más exclusiva y se presta especial atención a la capacitación económica de las personas con discapacidad, las mujeres y la población negra en general, es decir, en la inclusión en la economía de individuos que se encontraban en situación de desventaja. Todavía surgen problemas en el momento de la puesta en práctica de estas políticas, pero la ESS es mucho más integradora que el sector privado.

Existen fantásticos ejemplos de colaboraciones público-privadas entre las OESS y el gobierno a todos los niveles. En muchos de los casos el gobierno proporciona infraestructuras, tierras y edificios a las comunidades pobres para su desarrollo.

El sector de las organizaciones sin ánimo de lucro emplea cada vez a más personas, especialmente a mujeres y a personas de raza negra. El crecimiento de este sector puede tener que ver con el gran

número de ayudas gubernamentales que recibe, ya que está en gran medida impulsado por subvenciones. Sin embargo, el acceso a la financiación sigue siendo una cuestión polémica y algunas organizaciones que emplean a personas en situación de desventaja tienen dificultades para salir adelante con los salarios mínimos establecidos por los ayuntamientos con los que negocian. El programa del trabajo digno puede tener que verse comprometido en lo que se refiere al cumplimiento con el salario mínimo y las normas de salud y seguridad.

Las cooperativas tienen un tremendo poder de creación de empleo en Sudáfrica y en concreto el Departamento de Desarrollo Económico, así como el Departamento de Comercio e Industria están buscando un índice de éxito más alto en la ESS para estas organizaciones locales. La nueva Ley de Cooperativas (Num. 14 de 2005) facilitó un *boom* sin precedentes en el registro de nuevas cooperativas en diversos sectores y esta cifra cuadruplicó las cantidades que se habían registrado en los 82 años precedentes (1922-2004). La mayor parte de estas cooperativas son propiedad de mujeres de raza negra. Sin embargo, a pesar del gran compromiso del gobierno y de estas cifras prometedoras, la tasa de mortalidad de las cooperativas es de un 88%. Esta tasa tan alta de fracaso se atribuye a diversos factores, que van desde conflictos interpersonales y bajos niveles de educación hasta la falta de formación y asesoramiento. Hay muchas causas para estos fracasos y estas están corroboradas por estudios de caso en el sector.

Aunque las cooperativas plantean un enorme reto para el país, Sudáfrica es uno de los primeros países del mundo que introduce un intercambio de participaciones sociales que, desde su origen ha obtenido 14, 16 millones de rands para 73 proyectos de los que se beneficiaron 78.268 personas.

Las empresas sociales o las organizaciones sin ánimo de lucro están apareciendo como alternativa de las organizaciones benéficas con fondos limitados, pero el aumento de estas empresas no está respaldado por la legislación y se espera que Sudáfrica se dirija a algo similar a las empresas de interés comunitario (*community interest companies*) que existen en la actualidad en el Reino Unido.

El descubrimiento más importante es que, aunque Sudáfrica cuenta con políticas habilitadoras y consultas adecuadas con los interesados respecto al impulso de nuevas políticas, todavía faltan “habilitadores de las políticas” para asegurar que estas se ponen en práctica con éxito. Si el gobierno consigue introducir esta figura, junto con un sistema de seguimiento y evaluación riguroso, conseguirá crear puestos de trabajo.

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LIST OF ACRONYMS

ASEN	African Social Entrepreneurs Network
BBBEE	Broad -based Black Economic Empowerment
BCE	Basic Conditions of Employment
BDS	Business Development Services
CBOs	Community-based Organisation
CDC	Creative Design Company
CEO	Chief Executive Officer
CiCs	Community Interest Company(s)
CIS	Co-operative Incentive Scheme
COSATU	Congress of South African Trade Unions
CSESE	Centre for Social Entrepreneurship and Social Economy
CTU	Clothing Textile and Uniform
CURE	Centre for Uplifting Rural Economies
DAEA&RD	Department of Agriculture, Environmental Affairs and Rural Development
DSD	Department of Social Development
DTI	Department of Trade and Industry
ED	Enterprise Development
EDD	Economic Development Department
EE	Employment Equity
EFSP	Employment for Food Security Programme
FBOs	Faith-based Organisation
FEDUSA	Federation of Unions of South Africa
FICA	Flemish International Cooperation Agency
GOGO	Zulu word for Granny
GPRS/WAP	General Packet Radio Service / Wireless Application Protect
GSM	Global System for Mobile Communication
GWI	Gauteng Women Initiatives
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immuno-deficiency Syndrome
IDC	Industrial Development Corporation
IDT	Independent Development Trust

ILO	International Labour Organisation
INDS	Integrated National Disability Strategy
INGOs	International Non Profit Organisations
IPDS	Integrated Provincial Disability Strategies
JCT	Job Creation Trust
KZN	Kwazulu-Natal
LED	Local Economic Development
NACTU	National Council of Trade Union
NASASA	National Stokvel Association of South Africa
NDA	National Development Agency
NEXII	Nexus for Impact Investing
NGOs	Non-government Organisations
NGP	New Growth Path
NPO	Non-profit Organisation
NSNP	National School Nutrition Programme
OHS	Occupational Health and Safety
PBO	Public Benefit Organisation
PGWC	Provincial Government of the Western Cape
PWDs	People With Disabilities
SA	South Africa
SAIBL	South African International Business Linkages
SAMAF	South African Micro Finance Apex Fund
SANACO	South African National Apex Co-operative
SANGOCO	South African NGO Coalition
SARS	South African Revenue Services
SASIX	South African Social Investment Exchange
SASSX	South African Social Stock Exchange
SAWEN	South African Women Entrepreneurs' Network
SED	Socio-economic Development
SEP	Social Economy Project
SETAs	Sector Education and Training Authorities
SETYSA	Social Entrepreneurship Development Targeting Unemployment Youth In South Africa
SIM	Subscriber Identity Module
SEM	Stock Exchange of Mauritius
SSE	Social and Solidarity Economy
SSEO(s)	Social and Solidarity Economy Organisation(s)
TAC	Treatment Action Campaign
TAG	Technical Assistance Guidelines
TWIB	Technology for Women in Business
UJ	University of Johannesburg
UNDP	United National Development Programme

1. INTRODUCTION TO THE STUDY

South Africa's social economy is vibrant and alive with possibilities. Its biggest possibility is the ability to create jobs if the enabling policies are implemented correctly. In fact, this study will show that the policy environment is indeed enabling, but that there are many problems at the implementation level and a greater need for dialogue.

1.1 CONCEPTUAL CLARIFICATION

The concept of the social and solidarity economy (SSE) is described as follows by the International Labour Organisation (ILO): "The social and solidarity economy (SSE) refers to organisations and enterprises that are based on principles of solidarity and participation and that produce goods and services while pursuing both economic and social aims". (Fonteneau, Neamtam, Wanyama, & Morais, 2010, p. vi) while the Terms of Reference for this paper refer to the social and solidarity economy as being made up "of collective approaches to sustainable development that contribute to building a world that is more fair and just".

The phrase "social and solidarity economy" has only recently entered the South African vocabulary even though the phenomenon has been in existence for many years. The phrase "solidarity economy" is quite common in those countries where Roman languages are spoken such as France, Italy, Spain, Latin America and Senegal while the term "solidarity economy" is less known in Asia and Anglophone countries in Africa and North America. The fact that these two different cultures have promoted different terms is perceived by some as not being coincidental, but rather based on different socio-economic values.

At the conference on "The Social Economy: Africa's response to the Global Crisis (Johannesburg, 19-21 October 2009) economy was defined as: "the social economy is a concept designating enterprises and organization, in particular co-operatives, mutual benefit societies, associations, foundations and social enterprises, which have the specific feature of producing goods, services and knowledge while pursuing both economic and social aims and fostering solidarity" (ILO, 2009). This document will also deal with the South African search for a definition and where non-profits – or rather enterprising non-profits – are also included in the definition.

At this conference the participants in essence recognized the importance of the role of the social economy and the extraordinary diversity of the social economy in organisation forms. They furthermore declared that they are convinced that the social economy provides complementary paths to development that coherently bring together the concerns of economic sustainability, social justice, ecological balance, political stability, conflict resolution and gender equality. It also promotes access to decent work. The need to build linkages between social economy actors and other private and public sectors, as well as with employers and workers organizations is recognised.

There was general consensus that by promoting social economy enterprises, governments should not be released from their responsibility to provide basic needs.

1.2 THE SOCIAL AND SOLIDARITY ECONOMY AND JOB CREATION

In June 2009 during the inaugural State of the Nation Address, President Jacob Zuma stated:

"It is my pleasure and honour to highlight the key elements of our programme of action. The creation of decent work will be at the centre of our economic policies and will influence our investment attraction and job creation initiatives. In line with our undertakings, we have to forge ahead to promote a more inclusive economy" (Government S. A., 2010).

Subsequently, the Government affirmed its commitment to leading the way by publishing the New Growth Path: The Framework. The New Growth Path (NGP) is an objective contained in the South African government's macro-economic policy aimed at addressing inequality and unemployment in the South African society and the new direction is succinctly described as follows:

"Identifying areas where employment creation is possible on a large scale as a result of substantial changes in conditions in South Africa and globally. Developing a policy package to facilitate employment creation in these areas, through:

- a. A comprehensive drive to enhance both social equity and competitiveness;*
- b. Systemic changes to mobilise domestic investment around activities that can create sustainable employment; and*
- c. Strong social dialogue to focus all stakeholders on encouraging growth in employment-creating activities (Government S. A., 2010).*

At the centre of the New Growth Path strategy is job creation. Unemployment needs to be reduced from the 25% to 10%. This will require commitment and political will and a new approach. For this the reason, this document has drawn sharp criticism from business and labour. However, given the urgency of job creation, especially for young people, political commentators cautioned that discarding this policy would be foolish and that business and labour's reactions indicate that they still do not have the political will to make the required sacrifices to bring about a more inclusive economy.

In the New Growth Path document a critical challenge is foreseen in maintaining union commitment to policies that support employment creation and equity, even when it requires some sacrifice from union members. This important observation will become evident from the case studies as a critical challenge.

The Job Drivers identified in the New Growth Path are:

- (1) Substantial public investment in infra-structure both to create employment directly, in construction, operation and maintenance as well as the production of inputs, and indirectly by improving efficiency across the economy.
- (2) Targeting labour-absorbing activities across the main economic sectors – the agricultural and mining value chains, manufacturing and services.
- (3) Taking advantage of new opportunities in the knowledge and green economies.
- (4) Leveraging social capital in the social economy and the public services.
- (5) Fostering rural development and regional integration. The NGP document also outlines core cross-cutting policy proposals, followed by a brief review of resourcing opportunities, institutional and spatial requirements and a final section dealing with actions to finalise work on the growth path and begin implementation (Government S. A., 2010).

It is evident from the above that the social and environmental economies are targeted as job drivers. In anecdotal references, South Africa is often referred to as the country with the highest level of inequality measured by the Gini coefficient¹. However, research indicates that this is not the case. South Africa's Gini measure is, according to the United Nations Development Programme (UNDP), not the highest at 57,8% - Namibia ranks the highest at 74.3%. However, the figure of 57,8% is disputed because the Reserve Bank of South Africa indicated that the figure is inaccurate. It fails to

¹ The **Gini coefficient** is a measure of statistical dispersion developed by the Italian statistician and sociologist Corrado Gini and published in his 1912 paper "Variability and Mutability" (Italian: *Variabilità e mutabilità*). The Gini coefficient is a measure of the inequality of a distribution, a value of 0 expressing total equality and a value of 1 maximal inequality (Wikipedia, 2011)

take the redistribution of wealth in the form of social grants and free services into account. In the light of South Africa having a very high number of welfare recipients per taxpayer, this is quite a serious omission (Rumney, 2010).

The above is relevant to the Social Economy policy development and in particular to the creation of jobs within the social economy among others and gives recognition to this section of the economy as vital to the creation of jobs in general.

The New Growth Path and the Economic Development Department are set to play a crucial role within the social economy over the next few years.

1.3. DISCUSSION OF METHODOLOGY

This study will endeavour to connect the over-arching theme of the need for state-civil society dialogue to develop public policies for the social solidarity economy. This paper focuses on work and employment within the social economy in South Africa by observing the implementation of public policies and the experiences of public/community partnerships that have been able to promote the emergence of social and solidarity economy enterprises to achieve economic and social developmental goals. A number of case studies within the social economy have been selected for this purpose.

In order to answer the research question: "What is the impact of public policies linked to the workplace on the social and solidarity economy?" the hypothesis that policies that aim at improving employment opportunities through professional inclusion and decreasing discrimination based on gender and towards people with handicaps or with HIV favour the emergence of social economy enterprises, will be tested through conducting interviews and documented evidence available in the public and social sector.

1.3.1. Ontological and epistemological position

Briefly, one may describe the concepts of ontology, epistemology and methodology in research as follows:

- **Ontology** has to do with our assumptions about how the world is made up and the nature of things and
- **Epistemology** has to do with our beliefs about how one might discover knowledge about the world.

1.3.1.1. Ontological position

The researcher is interested in understanding the world of lived experience from the point of view of those who live it – the social and solidarity economy organisations (SSEOs), the relevant government departments dealing with SSEOs and other stakeholders. The researcher contends that social reality is not a given, but is built up over time through shared history, experience and communication. In other words, a person is an agent who actively constructs meaning within an ever-changing social and historical context. That which is taken for "reality" is what is shared and taken for granted as the way the world is perceived and understood. In order to appreciate the lived world of experience, we must engage and participate in it; we must actively interpret it (Locke, 2001).

1.3.1.2. Epistemological position

The epistemological position of the researcher would be that, in building knowledge, researchers acknowledge that they cannot remain aloof since they co-construct the data required to create knowledge.

1.3.2. Method of data collection

Five methods were used to collect data, namely: a literature survey, one-on-one interviews, telephone interviews, email correspondence and websites analysis. Open ended questions were used to elicit responses from the interviewees. The respondents were prompted to further explain their views. Although the researcher drew up a list of questions to guide herself and the fieldworker during the interviews, they did not rigorously adhere to the list of questions. What was important was to flow with the direction that the conversation was being steered towards by the respondents.

1.3.2.1. Acknowledgement of contributions

In the table below (1.3.2.2) the interviewer is identified for each case study. While Mr De Rooij and Dr Steinman conducted four interviews each, the compilation of the full report – including the literature survey, analysis, findings and recommendations - was prepared by Dr Steinman and therefore reference to Mr De Rooij’s contribution is that of a fieldworker as his input constitutes approximately 15% of this project. To distinguish these contributions, Dr Steinman is referred to as the “researcher” and “author” in the text. The case studies in Annexure B indicate the author for each study with a byline under the case study heading.

1.3.2.2. Interviews

Table 1: Interviews Conducted

ORGANIZATION	INTERVIEWEE OR METHODOLOGY	INTERVIEWER
Gogo-getters	Website analysis	Dr Susan Steinman
Epilepsy South Africa: Economic Development and Empowerment Programme	Interview with the CEO	Mr Jerome de Rooij
Social Economy project (SEP) by the International Cooperation Agency	The field worker previously undertook the evaluation of this project and therefore could present his investigation and findings as a case study.	Mr Jerome de Rooij
The job Creation Trust and Creative Designs	Shamiela Garnie, CEO telephonic interview	Dr Susan Steinman
The South African Social Investment Exchange	Tamzin Ratcliffe, CEO and co-founder telephonic interview	Mr Jerome de Rooij
Shonaquip	Shona MacDonald- Founder and CEO interviewed telephonically and email correspondence.	Dr Susan Steinman
Gauteng Women Initiatives (Gauteng Women Cooperatives led by Nonhlanhla Mpachoe.	Nonhlanhla Mpachoe, the CEO of CTU (leading cooperative in the GWI) was interviewed	Dr Susan Steinman
Zoe Academy of Skills	Charles Delecia (Co-founder) was interviewed. This resulted in two case studies because of his two SSEOs, but the social entrepreneur and community are the same.	Mr Jerome de Rooij
Flash savings and credit cooperative		

1.3.3. General Inductive Analysis

In order to thoroughly analyse the data that had been collected, the researcher used general inductive analysis.

The inductive approach is a systematic procedure for analyzing qualitative data where the analysis is guided by specific objectives. The primary purpose of the inductive approach is to allow research findings to emerge from the frequent, dominant or significant themes inherent in the raw data, without the restraints imposed by structured methodologies (Thomas, 2006).

The main purpose of the approach is to condense extensive and varied raw text data into a brief summary format, to establish clear links between the research objectives and the summary findings derived from the raw data and to ensure these links are both transparent and defensible.

All the transcripts, field notes, email communications and interview notes were read several times to identify the themes and categories. A matrix was drawn up to assist the researcher in finding the main themes emerging from the case studies (Annexure A)

2. STATE OF THE FIELD

To determine the state of the field of the Social and Solidarity Economy (SSE) in South Africa, the present situation needs to be examined. Is there a vibrant social economy and do policies promote an enabling environment for the SSE to flourish and ultimately create jobs?

2.1. THE ROLE OF THE SOCIAL ECONOMY IN SOUTH AFRICA

2.1.1. Historic overview

The role of the social economy in South Africa has always been significant, especially during the apartheid era when a strong and vibrant civil society as a counter to the state was necessary. Civil society created alternative structures of power such as street committees, people's courts and other civic societies aimed at service delivery. In fact, civil society delivered services to the people.

The advent of democracy brought its own problems when civil society had to redefine itself. Some organisations simply could not transform. South Africa's transition took place in an era when "the landscape changed and state-led development was no longer the popular paradigm" as opposed to the 1960s and 1970s when a number of liberation movements came into power in Africa. This placed the state at the centre of all development, which effectively led to the marginalisation of civil society institutions and markets (Non-profit-Partnership, undated).

As much as society had to transform, civil society and in particular the social and solidarity economy, had to redefine itself in terms of the challenges and inequality in the wake of the advent of democracy in South Africa in 1994. Now, more than 17 years later, South Africa's social and solidarity economy is still faced with challenges, despite a very enabling environment on the policy level. Youth unemployment and unemployment in general is at 25% - society is still unequal and the lack of progress may have its roots back in the apartheid era when communities were displaced, land was expropriated and those affected were assigned to poverty.

2.1.2. Cultural Disposition: Ubuntu

Ubuntu is an African philosophy about the essence of being human, translated as 'I am a person through others'. At the core of this philosophy is the fact that one cannot exist as a human being in isolation, but that individuals are interconnected and that all belongs to a greater whole which is diminished when others are humiliated, diminished, oppressed or hungry.

The African philosophy ties in well with a social and solidarity economy where economic activity and social purpose are connected through collectiveness. While the philosophy of Ubuntu bodes well for building a strong social and solidarity economy (SSE) in South Africa, there is still, to a large extent, a need to build an enabling environment at the implementation level before the SSE will create the jobs that are expected.

2.2. SOCIAL AND SOLIDARITY ECONOMY ORGANISATIONS (SSEOS)

In 2010, the South African Minister for Economic Development, Ebrahim Patel made the first significant speech on the social economy at the International Labour Organisation's conference on "The Social Economy – Africa's response to the global crisis". In his address Minister Patel said that the "social economy can play a very important role, provided its expansion is part of a more coherent development plan. While the Minister did not try to define the field of the social economy, he said that "rural coops are a big part of many African economies". As we chart a new growth path

in the continent, we need not see coops and social economy entities as simply residual absorbers of labour. Instead of limiting their role, enterprises in the social economy can be a leading force for modernising economies and expanding economic development (Patel, 2009).

What is the relative importance of the different types of SSEOs in South Africa? A non-scientific and informal indication of public opinion ranking the importance of SSEOs within the social economy was obtained at a meeting held on 15 July 2011 to revive the breakfast meetings of the African Social Entrepreneurs Network (ASEN) in Johannesburg. A total of 97 persons attended the event at the University of Johannesburg and all participants received three strips of dots to indicate their preferences - a gold strip (to indicate most important), a silver strip (to indicate important) and a red strip (to indicate of least importance). Approximately two-thirds of the delegates participated in this informal and unusual way of gathering information for planning purposes for ASEN.

The question was placed on a table and while the delegates had refreshments, they studied the question and indicated the relative importance of each of these SSEOs. It emerged that co-operatives are regarded as most important, followed by non-profits and social enterprises while mutuals, 'stokvels' (saving co-operatives in South Africa) were regarded as of least importance.

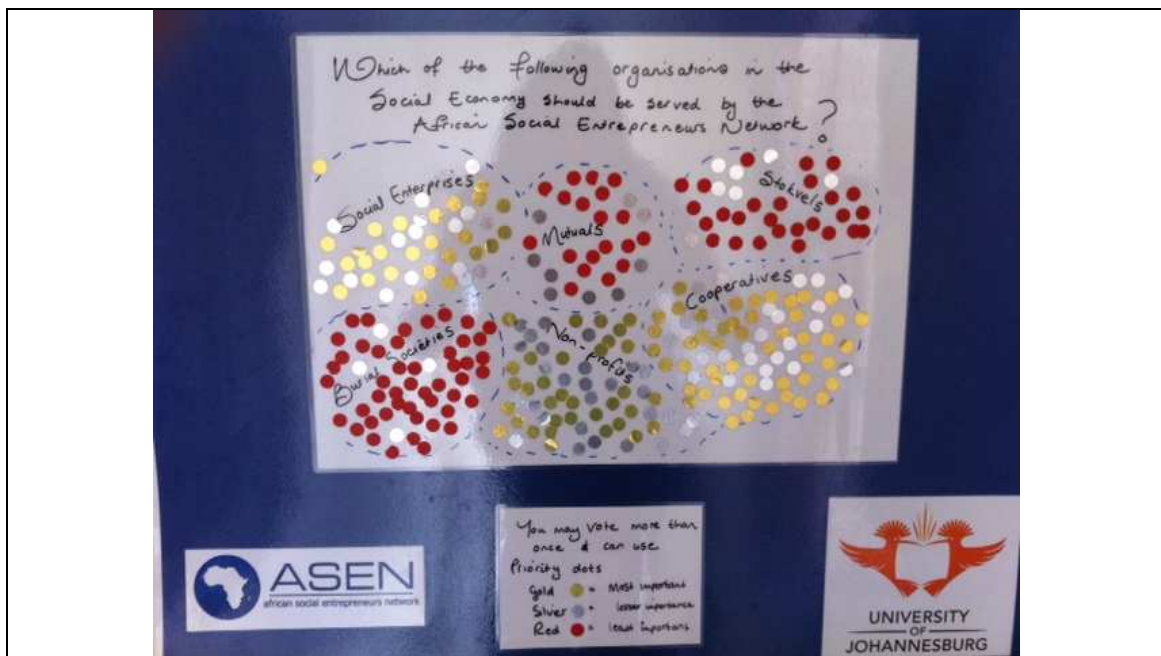


Figure 1: Prioritisation of organisations within the social economy by delegates attending a breakfast meeting arranged by the University of Johannesburg and ASEN (The African Social Entrepreneurs Network) on 15 July 2011

In further exploring how government and SSEOs themselves see the sector, two other documents are of particular importance in understanding what constitutes an SSEO in South Africa. The first is the speech of the Minister of Economic Development, Ebrahim Patel at the aforementioned conference held by the ILO in 2009, while the New Growth Path document is equally important.

Furthermore, the opinions of other government departments on the matter are also of importance and will be dealt with later in this document.

One may certainly ask what the common features would be for SSEOs.

SSEOs combine social, economic and environmental objectives and trade in goods or services. For this purpose, the SSEO may take on the most common business forms associated with SSEOs such as

non-profit organisations, social enterprises, cooperatives (different types including 'stokvels'² and mutual benefit societies or aid groups). These are the most common form of SSEOs in South Africa.

However, there is also a need to consider intermediaries such as investment companies as part of the SSE. One of the intermediary organisations that spring to mind in the case of South Africa is the social stock exchange that could be considered to be an SSEO. The South African Social Investment Exchange (SASIX) was launched in 2006 by Greater Capital, a social and impact investment advisory consultancy established in 1997. SASIX is among the world's first social investment exchanges, and provides an internet platform tailored to facilitating social investment by individuals and small to medium-sized enterprises. By identifying and selecting projects, providing monitoring and evaluation, and releasing progress reports, SASIX assures functions which such investors are unable to conduct for themselves.

The common operating principles of SSEOs are graphically set out below: participation, voluntary involvement, autonomy, solidarity, the collective dimension and having an economic and social function (Fonteneau, Neamtam, Wanyama, & Morais, 2010)

There are different legal options available for SSEOs. Sometimes SSEOs are given incentives to adapt one or another legal form, while their needs are more suitable to another e.g. cooperative vs. non-profit company or a social enterprise. The state of the field concerning the different forms of SSEOs is described below:

2.2.1. Non-profit organisations (NPO)

A non-profit organisation is defined in the NPO Act of 1977 as: *A trust, company or other association of persons established for a public purpose and the income and property of which are not distributable to its members or office-bearers except as reasonable compensation for services rendered.* 'Public purpose' was then defined with its distinction of 'public benefit organisations' engaging in 'public benefit activities' in 2000. In order to ensure tax exemption for the non-profit organisation the Taxation Amendment Act of 2000 provided for the registration of PBOs. Non-profit organisations (NPO) may register with the NPO Directorate in the National Department of Social Development in terms of the Non-profit Act. Types of NPOs include:

- Non-governmental organisations (NGOs)
- Community-based organisations (CBOs)
- Associations
- Faith-based organisations (FBOs)
- Organisations that have registered as Section 21 Companies under the Company Act 61 of 1973
- Trusts that have been registered with the Master of the Supreme Court under the Trust Property Control Act 57 of 1988
- Any other voluntary association that is not-for-profit.

Increasingly, the term "non-profit organisations" is a business form and not an indication of the way business is conducted in the organisation. Non-profit organisations are progressively becoming "enterprising non-profits" or "social enterprises" to survive.

In a study by Swilling and Russell (2005) on the size and scope of the non-profit sector in South Africa editor Adam Habib in his introduction contends that the comparative dimensions of the study *"demonstrates that South Africa's civil society is as large in proportional terms and as vibrant as in all but a handful of advanced industrialised countries. The countries' non-profit workforce and the*

² The term 'stokvels' is used in this study as the umbrella term for all hybrids of informal savings schemes, including burial societies.

proportion that is volunteer labour are well above the international average. Public sector support for civil society is also well beyond the international average” (Swilling, The size and scope of the non-profit sector in South Africa, 2002). Habib then asks the question if the rise of social movements and civil society could not be explained in terms of the foregoing (Swilling, The size and scope of the non-profit sector in South Africa, 2002).

Interestingly, Swilling and Russell (2005) distinguish between Developmental NPOs (directly involved in improving the social, cultural and economic well-being of certain sectors of society) and Survivalist NPOs (sharing or maximising meagre resources) and Oppositional NPOs (organising and mobilising people for various purposes).

2.2.1.1. NPO sector as a major employer

Not surprisingly, Swilling and Russell (2005) already established in 1999 that the total employment in the non-profit sector exceeded the number of employees in many major economic sectors such as mining, public servants in national departments and so on. According to the 1999 figure, the NPO sector constitutes 9% of the workforce of the formal non-agricultural workforce and 7.6% of the total non-agricultural workforce. 47% of employees are full-time, 4% are part-time and volunteers make up 49% of the total workforce. This is a relatively larger sector than in most developed countries and well above the international average (Swilling, The size and scope of the non-profit sector in South Africa, 2002).

According to the annual report of the Department of Social Development 65,635 non-profits were registered in 2010 and with a growth of approximately 11,000 new non-profits per annum, the total number of registered NPOs could stand at 76,000 (DSD, 2010). However, should the situation be the same as in 1999, the number of civil organisations could be double that of the registered total. The growth in this sector is way above the average growth per sector for the country.

It was suggested earlier by Habib that the growth of the sector may have to do with a large amount of government assistance (Swilling, The size and scope of the non-profit sector in South Africa, 2002). The non-profit sector is largely fuelled by grants – from child grants, to funding for early childhood centres, funding for non-profit organisations, old age grants, care dependency grants, grant in aid, disability grants, while grants are available for those with dread diseases like HIV/Aids and Tuberculosis who are no longer functional or able to work because of the impact of the illness.

However, a later study (Steinman, 2010) stated that access to finance is still a burning issue for most social enterprises and that there is increasing pressure to become sustainable.

2.2.1.2. NPOs as less formalised community-based organisations

The 1999 study found that there were close to 99,000 NPOs, but that 53% of these can be classified as “less formalised, community-based NPOs without a formal structure such as Section 21 non-profit companies, trusts, religious institutions, trade unions or co-operatives... these smaller community-based NPOs have not been recognised because most existing databases have not been designed to capture them” (Swilling, The size and scope of the non-profit sector in South Africa, 2002).

An example of small community-based that are not registered is the Gogo Getters or Gogo Grannies taking care of children whose parents passed away because of HIV/Aids related illnesses. This phenomenon clearly indicates that there are a large number of unregistered community-based organisations which could equal or exceed the number of registered NPOs. While government is trying its best to assist the HIV/Aids orphans, there is a need for more dialogue and support for these important groups.

(For the complete case study see Annexure B; p37 – Case Study 1: Gogo getters and Gogo Grannies)

2.2.1.3. Women and black people play a leading role

The non-profit sector is led by and managed by black women, in contrast to the private sector. Swilling & Russell (2005) found that 59% of managerial positions were taken up by women and that 73% were black. 60% of all full-time employees were women and 81% were black. This is also evidence that the SSE is inclusive of previously disadvantaged groups.

2.2.1.4. People With Disabilities (PWDs) – Sheltered Employment

There are facilities and grants available for People with Disabilities (PWDs) from the Department of Social Development. These protected workshops enable PWDs to earn a living and to be part of the economy. According to the Department of Social Development, there are 118 protective workshops and 346 rehabilitation facilities available in South Africa.

One such a facility is Epilepsy, South Africa's Western Cape branch with its economic development and empowerment programme. Epilepsy South Africa is a non-profit organisation founded in 1967 to represent the interests of people with epilepsy and provide support to those unable to cope in the open labour market. This organisation was a winner in the Social Business Plan Competition of The Business Place in 2009. The Economic Development and Empowerment Programme assist people living with epilepsy and other disabilities to overcome the hurdles they face in trying to improve their livelihoods, and thereby contribute to narrowing the unemployment gap between the people with disabilities and those without. However, Epilepsy South Africa is faced with challenges in terms of compliance with the minimum wage and health and safety regulations are sacrificed because of a shortage of finance. They fear that the insistence of the Bargaining Councils will force them to shed jobs in order to comply with minimum wages, despite the huge layout in infrastructure to accommodate PWDs. The general feeling is that there is inadequate liaison between government's department of labour and employers of PWDs and non-profit organisations in general because of the challenging labour legislation that is said to be good for large employers but unreasonable in terms of small employers, non-profits and employers caring for PWDs. *(For the complete case study see Annexure B; p37 – Case Study 2: Epilepsy, South Africa, Western Cape Branch: Economic Development and Empowerment Programme)*

2.2.2. Co-operatives

There is no universal definition. However, a co-operative is defined as an “autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise.” (ILO Recommendation 193). There are different types of co-operative enterprises such as agricultural co-operatives, insurance co-operatives, savings and credit co-operatives, distribution co-operatives, worker-owned co-operatives, housing co-operatives and so on (ILO, 2009). Yet these different types of co-operatives fall into two main categories: worker-owned co-operatives and user-owned co-operatives (Phillip, The South Africa Foundation, 2003)

Phillip (2003) contends that the key defining feature of worker cooperatives is that workers own and control them on the basis of one member one vote....In contrast to worker cooperatives, there are a range of types of cooperatives that can be characterized as user cooperatives or client-owned cooperatives. Differences apart, the essential feature of the cooperatives is that members are users of the cooperatives' economic services, rather than being workers in the enterprise. Examples of such cooperatives are banks consumer cooperatives, cooperative business associations and so on.

The regulatory framework for cooperatives is:

- Co-operatives Act (Act No. 14 of 2005);

- The DTI: A Co-operative Development Policy for South Africa, 2004; and
- The Co-operative Regulations, 2007.

Cooperatives have a tremendous potential for job creation – this fact is evident from international literature and studies.

The South African government, and in particular the Economic Development Department, as well as the Department of Trade and Industry, values cooperatives and would like to see them succeed. However, despite the deep commitment from government, there are not many functional cooperatives in South Africa. In general cooperatives are seen to be failing at an unprecedented level.

According to a General Notice in the Government Gazette the promulgation of the new Co-operatives Act, No. 14 of 2005, facilitated a boom in the registration of new cooperatives with 19,550 new cooperatives registered from 2005 to 2009 in various sectors, representing a growth rate of 86%. “Within a period of four years, the number of new cooperative registrants has almost quadrupled those that were registered over the previous 82 years (1922 - 2004). The majority of these new cooperatives are black woman-owned. Youth-owned cooperatives have also begun to emerge. However, most of these new entrants remain vulnerable and very weak and require high and sustained levels of support”(DTI, 2011).

2.2.2.1. Survival and mortality rates of cooperatives

While there are 22,030 active cooperatives in the register, the DTI Baseline Study indicates that only 2,644 of the 22,030 could be confirmed to be operational, representing a mere 12% survival rate, indicating a mortality rate of 88%, which constitutes 19,386 cooperatives that were not operational in the economy³ (DTI, 2011).

In the same Government Gazette notice this low survival rate is attributed to several factors:

- The fact that there is not a dedicated agency designed primarily to support co-operatives on a focused basis
- Untargeted and uncoordinated support, characterised by poor mentorship
- Minimum investment dedicated to cooperatives
- A sense of neglect among all spheres of government and their respective enterprise development agencies
- On the other hand, cooperatives themselves have not been formed on a genuine basis. They tend to be established for the purpose of accessing free money (Co-operative Incentive Scheme (CIS) grant), instead of genuinely building a cooperatives movement
- On-going conflict among cooperative members over issues of money and the usage and ownership of assets
- Poor management and lack of co-operation (DTI, 2011).

“The provincial breakdown points to the fact that provinces affected by the highest mortality rate are those largely in rural areas. These include the Northern Cape, with a 97,5% mortality rate; followed by the Eastern Cape, with 93%; and the Free State, with 92%. The exceptional case is the Western Cape, with a 93% mortality rate. When contrasted with the four noted provinces, the remaining provinces tend to fare better. However, they are also registering high levels of mortality rates, ranging from 88%, to 75% being the lowest. Even the developed provinces, such as Gauteng, KZN and the Western Cape, do not fare well when it comes to co-operatives, pointing to the need for sharper policy interventions to turn the picture around” (DTI, 2011).

³ . According to the DTI, the mentioned Baseline Study is not reliable, due to the inadequacy of data, as well as the difficulty of locating some of the co-operatives, which do not comply with the provisions of the Act of submitting the financial statements and/or change of contact details

2.2.2.2. More opinions on the high mortality rate for cooperatives

- In the case of Limpopo Province the success rate was 25% as opposed to the average of 12% in other provinces. It is felt that the relative success could be attributed to the fact that the Co-operatives Act of 2005 was translated and published in one of the indigenous languages (SMG, 2011).
- In general, management requires a complex range of skills and can lead to a lot of tension within the cooperative. Collective management escalates the complexity exponentially along with the need for transparency (Phillip, The South Africa Foundation, 2003).
- Cooperative development tends to target the unskilled and the unemployed on the margins of the economy. A more likely context for worker cooperatives to succeed is perhaps if the challenge could be taken up by workers in the more established viable sectors of the economy who will work to broaden the base of worker cooperatives and potentially create new jobs over time (Phillip, The South Africa Foundation, 2003)
- Governance, group dynamics and poor understanding of laws governing cooperatives are among the chief reasons (SMG, 2011).
- There could be a perception that the cooperative concept is an undertaking reserved for a particular gender and also as one that suits old women (Nyambe, 2010).
- There is no way in which one could establish a cooperative without training its leadership in management and leadership principles (Nyambe, 2010).
- Financial management and cooperative skills and planning are critical areas of training.
- Technical training is essential and training in the quality of goods produced by cooperatives.
- The lack of knowledge about the cooperative concept by the officials themselves is a challenge.
- Staff allocated to cooperative development is inadequate. In addition, agencies at national and provincial levels are also involved in supporting cooperatives and the total staff complement dedicated to this end does not exceed 100. There are less than 300 officials responsible for developing and supporting cooperatives in the entire economy. This is an abnormal situation compared with existing capacity in other countries like Kenya, where there is an entire Ministry, with a specific Minister, responsible for cooperatives and capacitated with more than 4,000 officials, fully decentralised in various regions. The same applies to other developing countries (DTI, 2011).
- While training is important, the importance of on-going on-site coaching and mentoring is ignored while the case study below will illustrate that it is an important aspect for success.

The case study of the Social Economy Project (SEP) by the Flemish International Cooperation Agency (FICA) in Northern KwaZulu Natal illustrate most of the points captured above in understanding the high failure rate of cooperatives. The sponsor wanted to connect seven community gardens in two rural municipalities with an on-going government procurement stream. This is a good example of foreign donors supporting the social economy in SA in cooperation with provincial and local government structures.

The majority of the members of the cooperatives are women, but typical problems were that productivity was extremely low; illiteracy among the cooperative members poses a huge challenge and mentorship need to be provided on an ongoing basis. There was also a lack of a framework of rules in terms of the compensation levels, who take the decisions, conditions of joining/leaving members, conflict resolution and ongoing training.

(For the complete case study see Annexure B; p38 – Case Study 3: The Social Economy Project (SEP) by the Flemish International Cooperation Agency (FICA) in Northern Kwazulu Natal)

2.2.3. Social Enterprises

Globally there is no consensus on a definition for social enterprises, but it is important that all viewpoints be respected. It is also important to underscore that social enterprises should not be confused with social entrepreneurship.

There are two schools of thought – a broad definition of social enterprises would simply state that a social enterprise is “a market-related response to a social problem” while narrower definitions would explicitly prefer to distinguish the social enterprise from other business forms by designating the manner in which profit or surplus is dealt with in the definition. In the case of South Africa the researcher recommended that, after triangulating the qualitative and quantitative surveys, the most acceptable definition for the large majority of those who participated in the research would be:

A social enterprise’s primary objective is to ameliorate social problems through a financially sustainable business model, where surpluses (if any) are principally reinvested for that purpose (Steinman, 2010).

An exploratory study into factors influencing an enabling environment for social enterprises in South Africa by the researcher investigated, inter alia, the legal and regulatory environment and factors that would influence up-scaling and therefore employment were identified:

- Existing tax legislation discourages non-profits and social enterprises from trading as there is a cap on the trading to a maximum amount of R150,000 and legislation in this regard is also not properly understood. Therefore, South Africa should consider legislation similar to the Community Investment Companies of the UK, as present legislation does not allow for share equity and therefore prevents scaling up
- There is a lack or even an unwillingness to assist with Business Development Services for social enterprises and non-profit organisations. Such assistance could lead to greater sustainability and job creation and must be encouraged.
- Social enterprises should be included as a designated group for preferential procurement purposes. The Minister of Economic Development already alluded to this in his speech at the opening of the Social Enterprise World Forum. This could lead to more employment in this sector. As yet, it is very difficult for SSEOs to compete in the open market because of stigmatisation.

The abovementioned study was sponsored by the International Labour Organisation’s as part of its Social Entrepreneurship Development Targeting Unemployed Youth in South Africa (**SETYSA**) project. Fox (2011) in the review of this pilot project contends that social enterprises can contribute to employment creation because of the very nature of these enterprises. Some seek to provide skills development and employment opportunities for people who are distant from the labour market, including PWDs, long-term unemployed. Some focus on women or youth and some actively provide a bridge for those operating in the informal economy to move towards the formal economy. The success of this project was that apart from a number of interventions, it raised awareness of social enterprises and the SSEOs in general.

Fox, also notes that policies and institutional support mechanisms are divided in South Africa – particularly between for-profit and non-profit but also between cooperatives and other forms of social enterprise. He argues further that “support institutions do not understand the range of legal forms that are possible for social enterprise, nor their implications and cannot provide informed advice. Social enterprises are often pushed (or incentivised) into a legal form that may not be the most appropriate. The very high mortality rate of registered cooperatives in South Africa is evidence of this” (Fox, 2011) .

The case study of Shonaquip (Annexure B; p7) will be dealt with in the next section dealing with job creation and policy, but is also applicable in this discussion on social enterprises to highlight the problems they faced and how the lack of a dedicated business forms impedes the creation of sustainable jobs. A new legal dispensation for social enterprises could allow for this business form to be recognised and make scaling up easier by allowing for limited equity – such as the Community Interest Companies (CiCs) in the United Kingdom.

Even without a legal form for social enterprises, these enterprising non-profits flourish in the form of hybrid business models and it will be a matter of time for the legislation to catch up with what is happening on the ground.

Labour unions also joined the drive for social enterprises in South Africa. The case study of Creative Designs is a triumph for the labour federations and the manner in which they are keeping South Africans in jobs and creating new opportunities and influencing policies to retain jobs for South Africans.

Following agreements reached at the Presidential Job Summit held in 1998, the Congress of South African Trade Unions (Cosatu), the National Council of Trade Unions (Nactu), and the Federation of Unions of South Africa (Fedusa) founded the Job Creation Trust and workers of South Africa contributed one day's wages in the year 2000 to the value of R89 million. The funds contribute to the establishment of co-operatives and community driven projects. Creative Design Company (CDC)'s social purpose is to maximise employment within the textile industry. They provide design services for retailers, and through its supply chain, manage the manufacturing of the clothes it designs. The trade federations selected skilled professionals to drive the Job Creation Trust (JCT) and from the manner in which Creative Design (wholly owned by the JCT) is run it is clear that the SSEO can effectively create jobs – in this case take over an existing company, turn it around and maximise employment as its social purpose.

In terms of such job creation, dialogue with government and in particular with the Department of Trade and Industry, is necessary to protect such industries against foreign competition. Companies maximising employment such as CDC should be encouraged and incentivised as SSEOs as this could lead to better employment in the sector.

(For the complete case study see Annexure B; p40 – Case Study 4: The Job Creation Trust and Creative Designs – the flagship enterprise)

2.2.4. Stokvels and Mutual benefit societies or aid groups

Andrew Lukhele, founder president of the National Stokvels Association of South Africa (NASASA), defines a stokvel as “a type of credit union, or communal buying group, in which a group of people enter into an agreement to contribute a fixed amount of money to a common pool weekly, fortnightly or monthly, to be drawn in rotation according to the rules of the particular stokvel” (Townsen, 2008). Stokvels could also be classified as mutual benefit societies.

The *stokvel* movement emerged as an attempt by black people to create cooperatives, in the mid-19th century and amidst a hostile legislative environment. It also grew out of burial societies formed by African migrant labourers. Currently NSASA, which cannot strictly be called a cooperative movement, nonetheless has the potential to formally convert and register itself as a cooperative, thus becoming a strong network for cooperatives (DTI, 2011).

There are different categories of stokvels namely, the contributions stokvel (traditional savings scheme); the basic stokvel (specific savings scheme); the grocery stokvel (collect coupons); the purchasing stokvel (pool money to purchase big items); the family stokvel (invest with formal financial institution); the investment group (invest money to benefit from interest; the party stokvel

(arrange street or jazz parties and charge) and the borrowing stokvel lending money at high monthly interest rates. Makgotlas or burial societies also play an important role in the community. A burial society provides informal insurance to assist the family with the various costs and tasks related to burying a family member. These societies are run along similar lines as stokvels and collect monthly contributions (Townsen, 2008).

Banks and retail groups accommodate stokvels through services and discount to attract the stokvel savings. However it is doubtful whether such activities would create jobs within the SSEO.

There is a lot of encouragement from politicians and private sector for stokvels to transform into cooperatives in a formal manner and to use the incentives offered by the Department of Trade and industry. Apart from limited ventures into the private sector, stokvels remain largely rooted in its informal origins. One may quite rightly ask if stokvels create jobs and the answer is that the activities creates indirect job opportunities – the scale of which has yet to be determined.

2.2.5. Social Stock Exchange – a new dimension of the Social and Solidarity Economy?

One may ask whether intermediaries such as social stock exchanges will not become one of the most important role-players in the SSE. The example of the South African Social Investment Exchange (SASIX) is a shining example of the vibrancy of the social economy and the innovation taking place on all levels. It is particularly the Social Stock Exchange's ability to stimulate the SSE and create jobs and the wide reach of its social impact that is cause for excitement.

The South African Social Investment Exchange (SASIX) was launched in 2006 by Greater Capital, a social and impact investment advisory consultancy established in 1997. Since its inception SASIX has raised R14.65m for 73 projects designed to benefit a total of 78,268 individuals. SASIX is among the world's first social investment exchanges, and provides an internet platform tailored to facilitate social investment by individuals and small to medium-sized enterprises. By identifying and selecting projects, providing monitoring and evaluation, and releasing progress reports, SASIX provides the services which investors are unable to conduct for themselves.

The importance of investors in projects with a social purpose is emerging as an important issue and one may predict that in due course, will receive attention from government. The event of the social stock exchange may hasten the advent of a dedicated community interest company or social enterprise entity which allows for share equity on a controlled basis.

(For the complete case study see Annexure B; p5 – Case Study 5: The new SSEO – The South African Social Investment Exchange (SASIX) and the Nexus for Impact Investing (NeXij)

2.3. EXISTING ORGANISATIONS AND NETWORKS

There are a few emerging networks that has, as its purpose, the promotion of the social and solidarity economy or section thereof. These organisations have not been very effective in influencing policy as none of these are vocal and active in the area and are centred on membership development rather than advocacy with regard to policy issues. However, individual stakeholders and social entrepreneurs in the social economy had a plausible influence on shaping policy in different areas of government's operation to the effect that it promoted the social and solidarity economy through social dialogue, new legislation, reducing poverty and social exclusion, community housing, etc. – all of these leading to job creation.

While there are budding SSE networks and the need for greater cohesion in this sector had been expressed, a strong representative body for the SSE has still to emerge. The international labour organisation supported the creation of such a platform (see Annexure C) but it has yet to transform to a fully representative and functional entity.

The Centre for Social Entrepreneurship and Social Economy (CSESE) of the University of Johannesburg will take the African Social Entrepreneurs Network (ASEN) under its wing and help this organisation with building capacity within this sector to get closer to the ideal of having a strong consultative body for purposes of social dialogue with the government of the Republic of South Africa. This is supported by the government department of Economic Development.

Other examples of SSE network initiatives are also abounding. In particular SANGONET, the PRODDER Directory and NGOPulse, the non-profit newsletter is an important role-player in the SSE and widely supported by the non-profit sector. Other role players such as Ashoka who stipend leading social entrepreneurs, the Greater Good South Africa provides, amongst other services, an online community linking givers and causes, support for civil society organisations, and social investment opportunities through the SA Social Investment Exchange.

Furthermore, in a paper published by the Presidency, the author (unknown) contends “It is difficult to discern or measure the extent to which NPOs are cooperating amongst themselves. It seems that there is an increase in the number of formal and informal networks, although Dangor (1997) estimated there to be about 55 networking organisations, for example, the South African NGO Coalition (SANGOCO)” (Presidency). According to this paper approximately two thirds of NGOs are connecting and interacting with one another on a regular basis.

A large number of social Business Development Services (BDS) or initiatives either supported or provided by Government departments or the provincial government are the order of the day. However the social BDS organisations do not have a network.

A network exists for Universities who offer programmes for SME development as well programmes in social entrepreneurship. This network got together for the first time at the University of Johannesburg at a meeting with the Minister of Higher Education, Dr Blade Nzimande. At this meeting it was decided to form a network of universities to share best practices in programmes and will also be able to access skills development funding for training purposes.

It has also been mentioned earlier that NASASA act as the umbrella body for stokvels in South Africa cooperative SANACO (South African National Apex Co-operative) is supported by the South African government’s Department of Trade and Industry.

SANACO has provincial and municipal structures throughout the country and was nationally launch on 1 October 2009 in Johannesburg. It is early days to access the impact of SANACO on the cooperatives, but it is evident that government recognise this body and consult with them.

While the SSE as a whole are not yet organised to enter into dialogue with government, the different groups such as People with Disabilities, people living with HIV/Aids, Child Welfare and many others are acknowledged and respected by government. In fact the South African constitution requires that the government engage and consult with the stakeholders and civil society in general before any legislation is promulgated and legislation may even be delayed if it is found that there was inadequate consultation. One can therefore safely say that the South African constitution determines that legislation is co-constructed with the public and civil society.

2.4. INTERNATIONAL LIAISON

There are a large number of International Non-profit Organisations (INGOs) in South Africa. The role and importance of INGOs has increased with globalisation and the subsequent growth of these institutions. They also play an important role in advocacy globally.

It could be argued that there is a lack of contact with international organisations - not many South Africans attend international conferences. While financial reasons and absence from the work could explain this, attending international conferences and events should be encouraged for networking purposes.

The Social Enterprise World Forum which took place from 5-7 April in Johannesburg, South Africa was the first of its kind for this country and succeeded in bringing South Africa and the international community closer together on African soil. This conference, hosted by the Centre for Social Entrepreneurship and Social Economy of the University of Johannesburg, achieved its goal to establish better cooperation with social enterprises in the rest of Africa and other countries around the world. Practical examples are that some of the social enterprises found markets for their products overseas; others partnered through networking while the sharing and learning added value for all.

In fact, at the 2009 ILO Conference in Johannesburg the plan of action included enhancing and recognition of the social economy enterprises and organizations and in particular the building of partnerships and connecting the African social economy to the social economy networks internationally, as well as in the African region (ILO, 2009).

The enhancing and reinforcing of social economy networks in the African region is also foreseen by increasing the capacity of the ILO constituents and other key stakeholders to promote social economy enterprises and organisations and to mobilise resources for the establishment of a social economy programme for Africa (ILO, 2009).

It is of utmost importance that South Africa develops a higher level of connectedness with SSE partners around the globe to enrich its own sector.

3. DEVELOPING AND IMPLEMENTING PUBLIC POLICIES

3.1. DEVELOPING AND IMPLEMENTING PUBLIC POLICIES

The SSE in the case of South Africa has, over time, been influenced by policies aiming to create a more enabling environment in which enterprises within the SSE can flourish, such as:

- The Companies Act, No. 61 of 1973, as well as the Companies Act, 2008, No. 71 of 2008, to be implemented in 2010
- The Non-profit Organisations Act, No. 71 of 1997 (NPO Act)
- The Trust Property Control Act, No. 57 of 1988
- The Close Corporations Act, No. 69 of 1984
- The common law on associations
- The Income Tax Act, No. 58 of 1962
- The Broad-Based Black Economic Empowerment Act, No. 53 of 2003
- The Preferential Procurement Policy Framework Act, No. 5 of 2000
- The Co-operatives Act, No. 14 of 2005
- All labour legislation (including measures related to volunteerism)
- The Constitution of the Republic of South Africa.

In general, national government is seen as being responsible for drawing up policies and consulting with the various stakeholders, while the provincial departments are responsible for implementation at the local level. However, the boundaries between the different departments are blurred when it comes to implementation and there appears to be a lack of coordination in some instances.

3.2. IDENTIFICATION OF PUBLIC POLICIES RELATED TO WORK AND EMPLOYMENT

A myriad of public policies and institutions are aimed at job creation – for example the gender equity council, national youth development agency, SARS legislation for public benefit organisations, the ministry for women and people with disabilities, social grants for organisations for people with disabilities, learnerships, HIV/Aids non-discrimination etc. The prohibition of discrimination in the workplace and the rights of People With Disabilities (PWD) is enshrined in the constitution as well as in other laws of the country. Legislation is drafted to be inclusive of disability. However, legislation such as the Employment Equity Act, Skills Development Act, Equity Act and others explicitly address disability in the workplace.

For purposes of this chapter, the following policies will be illustrated through case studies and short description and how it relates to work and employment.

3.2.1. Job Creation for People with Disabilities (PWDs)

Many barriers such as widespread ignorance, fear and stereotypes have caused people with disabilities to be unfairly discriminated against in society and in employment. For these reasons they are a designated group in terms of the Employment Equity Act, 1998.

The Minister of Labour has therefore approved a Code of Good Practice on the Employment of People with Disabilities (PWDs) in terms of the Employment Equity Act, 1998; determining employment-equity quotas that apply to the private and public sector for PWDs.

According to statistics from the Department of Labour, only 0.6% of the formal workforce of the country can be classified as People with Disabilities (PWDs). In terms of the Code of Good Practice on Employment Equity this target should range between 4% and 7% depending on the demographics of the region.

Furthermore, the Department of Labour developed the Technical Assistance Guidelines on the Employment of People with Disabilities (TAG) which is intended to complement the Code published in August 2002 to assist with the practical implementation of aspects of the Act relating to the employment of people with disabilities in the workplace.

Overall, the national government has been successful in creating an enabling environment for policy development work in the field of disability.

Furthermore, sheltered workshops have mushroomed throughout the country because of the basic disability grant and the extension of its provisions, resulting in more and more PWDs being able to enter the labour market.

Some of the achievements linked to the development of new legislation and policy are:

- developing and adopting the White Paper on Disability on an Integrated National Disability Strategy, known as INDS.3. A recent development at provincial level has been the formulation of a provincial version of the INDS, referred to in some provinces as the Integrated Provincial Disability Strategies (IPDS)
- increasing the basic disability grant and the extension of its provisions to a wider sector of people through the Social Assistance Act
- introduction of policy on inclusive education through the White Paper on Special Needs Education⁴
- actively participating in continental and international initiatives on improving the lives of disabled people, such as the Africa Decade of People with Disabilities and participating in the development of the United Nations Convention on the rights of disabled people
- providing free primary health care to disabled people affected by poverty
- establishing the Equity Court to deal with issues around discrimination
- establishing the Office on the Status of Disabled People in the Presidency and at provincial levels
- establishing Disability Desks and Units in many line departments within all spheres of government. (Dube, 2005)
- employers who employ PWDs can also access, through the different Sector Education and Training Authorities (SETAs) skills development funds to better accommodate such employees.

The legislative environment for PWDs is very enabling. But Dube (2005) contends that “While support for the formulation and adoption of policy has been excellent, policy implementation remains a challenge”. He goes on to say that policy implementation issues are not addressed consistently at different levels of government for various reasons. These reasons include limited conceptual understanding, poor championing, inadequate or inappropriate institutional arrangements, and a general lack of capacity.

Dube (2005) in his Executive Summary to “The role and effectiveness of disability legislation in South Africa” also feels that factors contributing to the poor implementation of legislation and policies are that “the definition and nature of disabled people’s participation have not been adequately reviewed and articulated and that the policy requirements for disability mainstreaming are not adequately linked to performance management, thereby undermining commitment to implementation”.

It is clear that successful implementation requires political buy-in as well as buy-in from the head of the department and on-going advocacy by the disability sector.

A clear example of the problems around implementation can be observed in the case study of Shonaquip.

Shonaquip is a social enterprise owned by Shona McDonald, an award-winning social entrepreneur, since 1992. Although her business form is a for-profit enterprise, it is a social purpose company and her involvement in the manufacture of wheelchairs, back support, positioning and assistive devices emerged from her need to assist her daughter who was born with cerebral palsy. Furthermore, her company provides therapy equipment, communication devices and incontinence products as well as supportive services through therapists and trainers.

Shonaquip's experience is that policies for the SSEO are very enabling in South Africa, but the problem is at the implementation level. She has been consulted on many policy issues, contributed as a peer reviewer for WHO Guidelines for the provision of manual wheel chairs in less resourced settings and to green paper on Special Needs for Children, proposal for provincial government to make access to care easier for PWDs.

Because of her social commitment her employment policy is inclusive of PWDs and 30% of employees are PWDs and 55% are women.

This case study as well as the earlier case study (see previous section) relating to Epilepsy South Africa mentions the difficulties faced by employers when dealing with PWDs. This is further compounded by the fact that Bargaining Councils in the labour sphere do not fully comprehend the difficulties that social enterprises competing in an open market have in dealing with labour laws. While the SSE is inclusive of PWDs, the situation with bargaining councils prevents them from employing on a larger scale.

(For the complete case study see Annexure B; p43 – Case Study 6: Shonaquip)

3.3. EXAMPLES OF PUBLIC POLICIES DEVELOPED BY GOVERNMENT AND THE MANNER IN WHICH THEY ARE IMPLEMENTED AT PROVINCIAL LEVEL AND LOCAL LEVEL.

There are two outstanding case studies illustrating intervention at the level of provincial government:

The first is the Gauteng Women Initiative which was formed as a result of the Gauteng Women Cooperatives and the CTU Project Management Cooperative joining forces to drive a successful partnership between government and the women cooperatives. This project is cherished by the politicians as a result resources such as a location and ongoing training, allocated to this project, forms part of the provincial government's support for cooperatives.

Twelve cooperatives formed a non-profit organization called the Gauteng Women Initiatives (GWI) (referred to as the Apex body) to assist them to collectively leverage funding and trading opportunities. The GWI has more than 200 member cooperatives and its goal is to empower women. However, the project is typical of the social economy because it has an inclusive employment policy and ex-prisoners, youth and people with disabilities are also employed.

The GWI certainly face challenges with the cooperatives being very dependent on government and donor funding, the wide-spread skepticism about cooperatives and in general the problems with cooperatives identified earlier. However, this is a replicable project and the GWI clearly leverage off public/private/institutional partnerships to grow the business. The involvement in this project is from policy to implementation level and government succeeded to create enabling mechanisms to drive this project and create jobs.

(For the complete case study see Annexure B; p10-13 – Case Study 7: Gauteng Women Cooperatives and the CTU Project Management Cooperative as part of the Gauteng Women’s Initiative)

The following case study is an example of how an impoverished local community can be empowered and how direct and indirect job creation is stimulated. The example of the provincial government in the Western Cape providing a building for non-profits in two cases, the Zoe Academy of Skills and the Flash Savings and Credit Cooperative, illustrates the enormous impact of SSEOs in such areas.

The **Zoe Academy** of skills’ initial focus was largely on fostering life skills, skills in the arts and on providing community services. Today, the Academy places greater emphasis on practical, vocational skills training, job placement and providing support to individuals showing entrepreneurial potential. All but one of the courses offered is accredited by the Sector Education and Training Authorities (SETAs), meaning that certificates obtained by students are recognised nationally. This has substantially increased demand for its courses, and generated greater community enthusiasm. Students are charged a nominal enrolment fee of R100.

Flash Savings and Credit Cooperative promotes the economic welfare of its members, in particular by encouraging savings by the issuance of shares and acceptance of deposits from its members - on which a reasonable dividend or rate of interest will be received; making loans to members for productive and provident purposes; educating members in the management and control of money and fostering an understanding of the economic framework within which the cooperative operates; developing self-reliance, responsibility and honesty among members, and promoting interest in community development.

Zoe Academy and Flash Coop proves that SSEOs are particularly suitable for job creation in very poor communities. Moreover, they are useful examples of the capacity of SSEOs to create jobs.

The involvement of the Western Cape provincial government at the implementation level by providing an old building and renovating it through community involvement, is an excellent illustration of policy enablers.

Flash Savings and Credit Primary Coop Ltd (Flash Coop) was formed and loans were made available for businesses to upscale – in the process creating more jobs, through branches, distribution points and cell phones.

Flash Coop was indeed responsible for policy change too. Flash Coop vendors sold electricity vouchers at a higher price after hours and were disconnected. Then Pastor George met with the premier of the province and because this was deemed a market-related issue, the policy changed and the vendors were connected again.

The challenge that Flash Coop face is that procurement criteria sometimes favour international businesses. The sales of electricity vouchers were given to an international company. The feeling is that procurement should stimulate the local economy. This is also the earlier contention of Job Creative Trust (see case study) that feels that there is a lack of creating an enabling environment where local manufacturers and business are favoured.

(For the complete case study see Annexure B; p13-16 – Case Study 8(a) and (b): Zoe Academy of Skills and Flash Savings and Credit Cooperative)

3.4. LEVERAGING POLICY AND CREATING JOBS IN THE SOCIAL AND SOLIDARITY ECONOMY

It is clear from the studies in this section as well as the case studies presented in section 3 that leveraging policy to create and to retain jobs is possible and that there are real and sincere efforts by government to make it happen on the ground. Despite good will and good intentions, however,

there are problems at the implementation level. However, government listens to the people and even if SSEOs maintain that there is insufficient consultation, they have had considerable impact on co-constructing policies that reflect their expertise.

An important development is the Next Economy Policy Platforms National Dialogue which was inspired by a series of policy platforms hosted by South Africa's Ministry of Economic Development in association with the Cape Times and the South African New Economics Network.

The Cape Times provided conceptual support for the South African New Economics Network. The objective of The Next Economy National Dialogue is to involve all relevant national stakeholders. As such, it will be interesting to see how this initiative moves forward and whether it will gather support from the SSEOs to fulfil the very important role it can play in constructing policy for the social and solidarity economy.

3.4.1. The New Growth Path highlights the importance of the SSE

The New Growth Path policy framework referred to in the first section of this document has the potential of generating jobs.

The main changes for the social economy will be comprehensive government support for social economy initiatives based on changes in market institutions and service delivery systems, combined with targeted support for skills development, infrastructure provision and incentives (Government S. A., 2010).

Core actions foreseen are the "development of a strategy to support social economy organisations amongst others in obtaining marketing, bookkeeping, technological and financial services and training in developing linkages with the social economy to encourage learning and mutual support: work with union and community investment companies to develop a Charter with commitments to job creation; encourage state procurement from and service delivery through organisations" (Government S. A., 2010).

As part of the new Growth Path, the President's Jobs Fund was announced earlier in 2011. The aim of the Fund is to operate as a catalyst for innovation and investment in activities which directly contribute to long-term employment creation by co-financing public and private sector projects that will significantly contribute to job creation. The Fund will operate on challenge fund principles. This means that project allocations will be based on an open, competitive process. As such, the Development Bank of Southern Africa, on behalf of National Treasury, is calling for government departments, municipalities, private sector and non-governmental organizations within the borders of South Africa to submit proposals for funding through the Fund.

The Minister of Economic Development, Ebrahim Patel, also announced on 5 April that his Department will be looking into "social procurement" for goods and services that will favour SSEOs. This is already happening on the ground with organisations purchasing from cooperatives, social enterprises and other enterprising non-profit entities to support the sector.

3.4.2. New legislation for cooperatives

Furthermore, the Department of Trade and Industry's minister, Dr Rob Davies announced that legislation to boost cooperatives will be tabled soon. He announced that consultations with a wide range of stakeholders have taken place. These include co-operatives, the South Africa National Apex Cooperative Limited and the National Economic Development and Labour Council. During his budget

vote speech in parliament in April, the Minister made reference to the Cooperatives Amendment Bill. He indicated that the plan was to table the bill in Parliament by the middle of 2011.

The proposed legislation would aim to put in place the following:

- A cooperative development agency;
- A cooperative council;
- A cooperative advisory council
- A cooperative academy.

In his most recent statement on the matter, the minister emphasised that the envisaged new institutions would enable his department to “inject more support and resources to cooperatives to ensure that they are able to achieve their objectives of job creation, poverty alleviation and economic growth” (SabinetLaw, 2011).

3.4.3. HIV/Aids and Job Creation

One can assume that this pandemic has a major influence on the workforce in sub-Saharan Africa. A large number of jobs and volunteer jobs had also been created in this sector because of the prevalence of the disease in the workplace. Approximately 1,000 NPOs belong to the HIV/Aids Consortium dealing with HIV/Aids – from taking care of HIV/Aids orphans to hospice care. The HIV/Aids component as SSEOs are huge and they play an important role in prevention, education, keeping people living with HIV/Aids in the workplace so on. These SSEOs ensured anti-discriminatory legislation to ensure that those that are positive are included in the workplace. Medical aids are taking care of the clinical part of HIV/Aids while the SSEOs focus on all other aspects with specialisation in certain areas, for instance prevention, HIV/Aids orphans, workplace policies and so on.

The SSEOs plays an enormous role in influencing HIV/Aids policy. However, one of the most poignant examples of how an SSEO influenced policy implementation in South Africa is in the HIV/Aids sector with the Treatment Action Campaign (TAC). The Treatment Action Campaign (TAC) was launched on December 10, 1998, International Human Rights Day. Zackie Achmat joined with a group of ten other activists to found the group after anti-apartheid gay rights activist Simon Nkoli died from AIDS even as highly active antiretroviral (ARV) therapy was available to wealthy South Africans. TAC has taken government to court to ensure that all South Africans, also pregnant mothers have access to ARVs.

3.4.4. Youth employment – policy options

A discussion paper by the Treasury of the Republic of South Africa refers to the acute problem of youth unemployment, requiring a multi-pronged strategy to increase employment and support inclusion and social cohesion.

The salient facts are:

- About 42% of young people under the age of 30 are unemployed compared with less than 17% of adults over 30.
- Only 1 in 8 working age adults under 25 years of age have a job compared with 40 per cent in most emerging economies.
- Employment of 18 to 24 year olds has fallen by more than 20% (320 000) since December 2008.
- Unemployed young people tend to be less skilled and inexperienced – almost 86% do not have formal further or tertiary education, while two-thirds have never worked.

The multi-pronged strategy would include, inter alia, reviewing current legislation and conducting a trail of youth employment subsidy. The subsidy for youth employment is further advocated and it is recommended that the plan of action be implemented from 1 April 2012 (Treasury, 2011).

The paper and its recommendations are in currently under discussion.

3.4.5. Broad-based Black Economic Empowerment (BBBEE)

BBBEE is defined as *'an integrated and coherent socio-economic process that directly contributes to the economic transformation of South Africa and brings about significant increases in the numbers of black people that manage, own and control the country's economy, as well as significant decreases in income inequalities* (<http://www.fmd.co.za>)

Elements of human resource development, employment equity, enterprise development, preferential procurement, as well as investment, ownership and control of enterprises, form part of the total BBBEE process. In total there are 7 different elements and over 40 indicators that are used to rate a business's BEE compliance. Each element is given a value in points. A company needs to achieve as many points as possible. There are a total of 100 points available - which is the target to be achieved in the next ten years.

The BBBEE Codes of Good Practice favour social enterprises and are among the most enabling factors for SSEOs in South Africa because these codes encourage enterprise development, the employment of PWDs, black persons and women to ensure a more inclusive economy

In addition to ownership, SSEOs are also particularly relevant to the BBBEE scorecard under the residual element known as socio-economic development (SED) which is worth 5 points and usually reserved for corporate social responsibility initiatives. Furthermore, an organisation or company will receive further tax rebates if the donation or grant is given to an entity registered with SARS as a public benefit organisation (PBO).

Enterprise development (ED) referred to earlier, means monetary or non-monetary contributions carried out with the objective of contributing to the development, sustainability and financial and operational independence of developing enterprises.

While – as is the case in so many instances – the policies are empowering, the interpretation by accreditation agencies of the BBBEE codes remains a problem as the interpretation of the codes excludes NPOs. This has been brought to the attention of the relevant government departments for investigation.

3.4.6. Women and job opportunities

It is clear from the case studies that SSEOs are major employers of women and that in many cases, women form the majority of the membership or workforce.

South Africa has a population of about 46 million people. 76,7% of the population are African while 11,3% are white; 8,3% are coloured and 2,4% are Indian/Asian. Females comprise 52% of the total population and despite being the majority; women only constitute 38% of total employment. A serious disparity still exists. The Employment Equity Act was legislated in 1998 to create a more equitable workplace through the implementation of affirmative action measures to redress the disadvantages experienced by designated groups, including women.

While it can be commended that SSEOs employ women and PWDs in large numbers. There is also a danger in the perception that, SSEOs such as cooperatives are dominated by “old women”.

Therefore diversity within this sector is of utmost importance unless the employment is targeted at designated communities such as the blind, epilepsy, autistic persons, youth and so on.

4. FINDINGS AND RECOMMENDATIONS – TOWARDS A MORE INCLUSIVE ECONOMY

When considering all the factors in answering the research question: "What is the impact of public policies linked to the workplace on the social and solidarity economy?" several factors need to be considered as the case studies together with the literature review led the researcher to draw the following findings:

4.1. FINDINGS

4.1.1. General

- There is some confusion between what constitutes the social economy and what would be the solidarity economy in South Africa. Neither is there clarity about all the organisations that would be included in the social and solidarity economy (SSE) and social enterprises may be excluded (Unfortunately this could not be clarified by the Economic Development Department of South Africa)
- The New Growth Path emphasises the role of SSEOs in a more coherent development plan. The minister felt that the social economy can be a leading force for "modernising economies" and expanding economic development.
- SSEOs regard cooperatives as the most important stakeholder in the SSE, followed by NPOs and social enterprises, while mutuals and 'stokvels' were regarded as less important.

4.1.2. Non-profit Organisations

- The NPO sector is a major stakeholder of the SSE and the growth of this sector is astounding with 76,000 registered entities with the Department of Social Development, while an equal number may count as informal associations or community-based organisations with significant potential for job creation.
- In the NPO sector, 60% of all full-time positions are held by women as opposed to 38% of jobs held by women in the private sector, which makes the SSE the most women-friendly sector.
- South Africa's NPO sector *"demonstrates that South Africa's civil society is as large in proportional terms and as vibrant as in all but a handful of advanced industrialised countries. The countries' non-profit workforce and the proportion that is volunteer labour are well above the international average. Public sector support for civil society is also well beyond the international average"* (Swilling, The size and scope of the non-profit sector in South Africa, 2002).
- There are approximately 76,000 registered NPOs with the Department of Social Development and an equal number of unregistered community-based organisations.
- The growth of the NPO sector may have to do with the large amount government assistance. This is proof that commitment from government can stimulate the sector.

4.1.3. Cooperatives

- Gauging from studies in countries other than South Africa, cooperatives have tremendous potential for job creation and a growth in cooperatives in South Africa is strongly supported by government and by all the government departments.
- Since 2005, the registration of cooperatives boomed at an unprecedented rate but the high mortality rate of these cooperatives is very worrying.
- Case studies confirmed the factors listed in a Government Gazette that there exists no designated agency for cooperatives; that support is untargeted and uncoordinated; and that there is a lack of mentorship. There are also problems associated with conflict, poor

management and so on. However, the lack of proper mentorship on an on-going basis was identified as a major reason for the failure.

- The reason for starting a cooperative is said to be motivated by access to the government incentive scheme.
- Another important opinion is that cooperative development tends to target the unskilled and unemployed on the margins of the economy and they may need more skilled persons to survive and create jobs.
- Staff allocated to cooperative development is inadequate.
- Foreign donors also see cooperative development as creating jobs and wealth and are willing to partner with provinces and local authorities to do that.
- There is new legislation underway for cooperatives after widespread consultation with stakeholders.

4.1.4. Social Enterprises

- At present, social enterprises take on legal forms that may not always be suitable because there is no dedicated social enterprise unit such as the community interest companies (CIC) in the UK.
- Social enterprises in general scale up and create hybrid organisations for that purpose and are enormously successful as some of the case studies will prove.
- South Africa's trade unions have embraced social enterprises as illustrated by the Jobs Creation Trust which is owned by three union federations, namely, Cosatu, Fedusa and Nactu. The Job Creation Trust wholly owns the social enterprise, Creative Designs, and other initiatives by this body can also be regarded as flourishing social enterprises.
- The Job Creation Trust is engaged in advocacy for government to protect the local textile industry through some relief in import duties on buying material for clothing.
- There are many instances whereby social enterprises influenced policy and Ashoka⁴ claims that 87% of their fellows influenced policy in some way or another.

4.1.5. Stokvels and burial societies

These SSEOs function in a peculiar way and should not be forced by legislation to convert to formal cooperatives. Stokvels and burial societies are informal and serve impoverished communities best.

4.1.6. Inclusivity, Equity and the labour environment

- Inclusivity in this sector is demonstrated by the predominance of women in SSEOs, with very high percentages in cooperatives and NPOs.
- The SSEOs are dominated by black employees, in accordance with the Equity Act.
- Access to finance is a burning issue for SSEOs to upscale or to survive a setback. Access to finance may also interfere with SSEOs' ability to have a more inclusive and equitable workforce.
- The labour laws and the environment, especially for those SSEOs working with PWDs where it is hard to compete in the open market while there are a lot of expenses attached to preparing the workplace for PWDs. This is a barrier to the concept of inclusiveness.
- In fact, the New Growth Path document also refers to the afore-going dilemma: "A critical challenge lies in maintaining union commitment to policies that support employment creation and equity even when it requires some sacrifice from union members..." (Government S. A., 2010) The bargaining councils and labour laws in general will require careful consideration in view of the critical need to create jobs.

⁴ ASHOKA is a Washington-based organisation selecting and stipending "fellows" all over the world – leading social entrepreneurs bringing about systemic changes. www.ashoka.org

- Despite empowering legislation, rules, policies and codes barriers still exist for PWDs and this is blamed on the implementation of the policies as is evident from the case studies as well as the literature survey.

4.1.7. Co-constructing policies and leveraging policies to create jobs

- The New Growth Path policy framework is seen as the single most important document in terms of policy development for South Africa. How these guidelines will play out is yet to be clarified, but South Africa can look forward to further empowerment of the SSE by the Economic Development Department in particular.
- The South African government co-constructs policies for the Social and Solidarity Economy Organisations (SSEOS) but very often the problems are at the implementation level. This was demonstrated by several case studies.
- Most respondents felt that the above was the result of the particular politicians not driving the implementation or the lack of “champions” to make it a success.
- The Jobs Fund, administered by the Development Bank of South Africa included the SSEOs of South Africa and made a presentation to SSEOs in July to ensure that this sector will also reap the benefits of this R9 billion fund aimed at scaling up and capacity building of enterprises. It will be interesting to see how much will be allocated to the SSEO sector.
- In some instances, the decent work agenda in terms of compliance with the minimum wage and occupational health and safety regulations is sacrificed because of a shortage of finance, – posing an ethical dilemma between jobs versus compliance.
- The Social Stock Exchange already influences thousands of individuals and could assist in large-scale scaling up in the SSE.
- Networks in the SSE are poorly developed and therefore government often liaises with individuals in the SSE.
- The government of South Africa is bound by its constitution to consult with civil society and the public on all legislation before it becomes policy. The government has shown great flexibility in this regard, however the implementation of policies remains a problem.
- There has been broad consultation with a wide range of stakeholders in terms of the new cooperatives act which is hoped to put a halt to the high mortality rate of these enterprises.

4.1.8. International Liaison

- It is absolutely necessary for the South African SSEOs to liaise with international stakeholders. Many SSEOs are affiliated to some international group, although this is not adequate and South Africa is not always abreast of developments in SSEO elsewhere.
- More international conferences on South African soil are necessary to create a better understanding of the SSE.

4.2. RECOMMENDATIONS

In making recommendations, one needs to consider the following model if recommendations will make a difference. Although this paper has identified specific concerns, the biggest single issue remains DIALOGUE, especially at the policy implementation level.

The following process model illustrates that the process of implementing policy must include more than the paper it is written on. Policy enablers with drivers and intermediaries at all levels of government as well as social dialogue are the most important determinants of the successful implementation and successful job creation in the Social and Solidarity Economy.

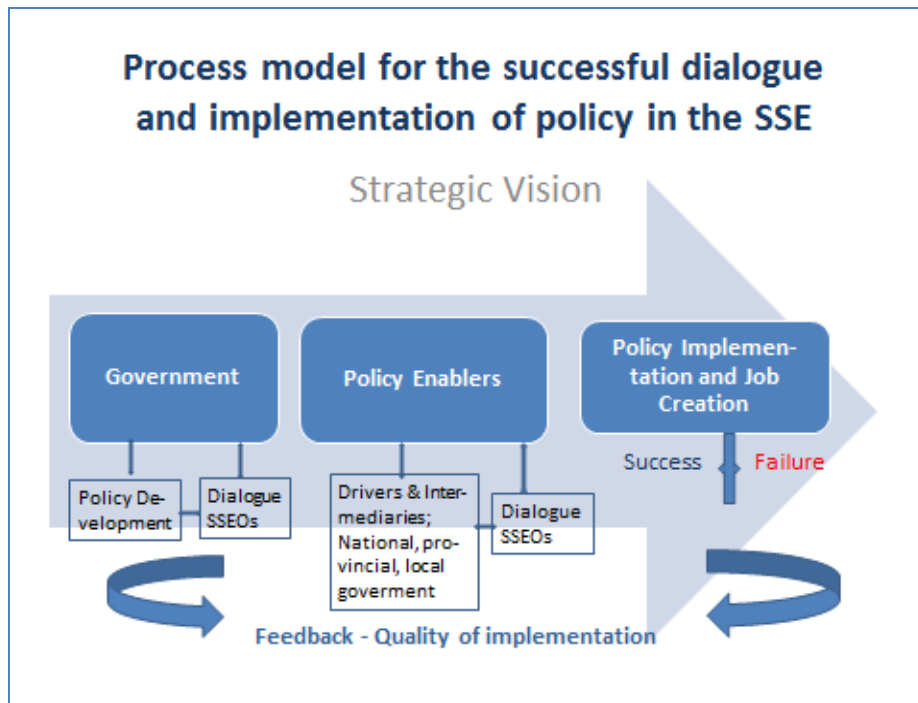


Figure 2: Process model for the successful dialogue and implementation of policy in the SSE

The following recommendations underscore the importance of policy enablers to get to the successful policy implementation that could lead to greater job creation.

- Policy and institutional support mechanisms are divided in South Africa or – as it has been emphasised throughout this report – the problem is at the implementation level. This means that the dialogue should not stop with the constructing of the policies, but should be carried through up to the implementation level with appropriate “checks and balances” to ensure proper implementation of policies.
- In planning policy, the policy enablers leading to successful implementation should form part of the strategic vision of government and dialogue with the relevant levels of government, drivers, intermediaries; the SSEOs should be part of such an on-going process. A process of feedback about the quality of implementation should be established so that government could intervene to ensure successful implementation of policies. A lack of “policy enablers” as well as continuous monitoring and evaluation is often at the heart of failures.
- There is an urgent need to for dialogue to discuss the decent work agenda, the creation of jobs and policies. A Social and Solidarity Economy “Indaba⁵” should take place in this country where a range of policies could be discussed which would assist politicians in determining the road ahead. Accountability for the implementation of policies is essential to drive change and job creation.
- While legal form may not always be an indicator of social purpose, it is essential that SSEOs be guided correctly as to what legal form the organisation may want to take as incentives may lead to the wrong organisational form and may not fulfil the expectation to create jobs. For instance, is a cooperative always the best organisational form or wouldn’t some organisations who opted for the cooperative form not have done better as a non-profit organisation? It is essential that business forms be considered as part of the training of organisations within the SSE.

⁵ An Indaba is a Zulu word for an ‘in-depth’ meeting

- There is an urgent need to address the high mortality rate of cooperatives in this country and in particular special attention should be paid to making material available in the vernacular, to providing mentorship on-site on an on-going basis as well as training and skills development of the members and those who work for the cooperatives.
- More human resources should be allocated towards mentoring and coaching cooperatives because the small number of officials working on cooperatives indicates a lack of “enablers”. In particular, greater care should be taken of rural areas. Universities should also train community developers who could assist cooperatives and other struggling SSEOs.
- Legislation is necessary to create a dedicated legal form for social enterprises similar to that of the CICs in the UK. This could largely help to scale up social enterprises and, in the process, create more jobs.
- Procurement policy which is inclusive of or even favours SSEOs should be encouraged in government departments and also in the private sector as “the right thing to do”.
- Certain sectors of the economy – for example the textile industry – need some policy changes to bring back jobs to South Africa. There is an urgent need for dialogue in this regard.
- The New Growth Path framework is an important document but should be followed up by clear strategies from the Economic Development Department to keep this document well and alive within the economy.
- Initiatives like the president’s Jobs Fund, administered by the Development Bank of South Africa, should be introduced on an on-going basis to ensure that new employment is created.
- Government should support the Social Stock Exchange and strengthen its reach in South Africa, as this important development is also responsible for the scaling up of SSEOs.
- Networks within the SSE should be strengthened and, where possible, they should be subsidised, as this could lead to greater sustainability and jobs in the SSE.

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6. ANNEXURE A

Gogogetters	Epilepsy South Africa	Social Economy project (SEP) (Flemish government)	The Job Creation Trust and Creative Designs	The South African Social Investment Exchange	Shonaquip	Gauteng Women Initiatives (Gauteng Women Cooperatives)	Zoe Academy of Skills	Flash savings and credit cooperative
Unregistered Community Based Organisation	Non Profit	Cooperative	Pty Ltd with employment maximisation	Pty Limited with social purpose	Hybrid: Pty Limited and Non profit	Non Profit as APEX body for women cooperatives	Non Profit	Cooperative
Grandmothers or older women who organise themselves into projects and support one another to take care of orphans and vulnerable children	The purpose of Epilepsy South Africa's Economic Development and Empowerment Programme is to assist people living with epilepsy and other disabilities to overcome the hurdles they face in trying to get employment.	This is aimed at connecting seven community gardens in two rural municipalities with an on-going government procumbent stream in order to scale up and become sustainable.	The funds contributed through the Job creation Trust helped with the establishment of cooperatives and community driven projects. Creative Design Company(CDC)'s social purpose is to maximise employment within the textile industry.	The South African Social Investment Exchange (SASIX) was launched in 2006 . By identifying and selecting projects, providing monitoring and evaluation, and releasing progress reports, SASIX assures functions which such investors are unable to conduct for themselves.	Shonaquip manufactures and distributes wheelchairs, back supports, positioning and assistive devices, therapy equipment, communication devices and incontinence products.	The Gauteng Women Cooperatives is a non-profit organisation assisting women to organise their cooperatives and leverage opportunities for work through tenders in the clothing and textile industry with a particular focus on the provision of linen items for hospitals.	The Academy places emphasis on practical, vocational skills training, job placement and on providing support to individuals showing entrepreneurial potential.	The organisation promotes the economic welfare of its members, in particular by: encouraging saving by the issuance of shares and acceptance of deposits - on which a reasonable dividend or rate of interest are be received.
There is little impact on job creation because the goggo's are mostly be retired if they were ever in formal employment.	Creates jobs	147 members are involved in the project	38 000 jobs have been created and nearly 25 000 people were trained in various skills through the Job Creation Trust. The Creative Design Company has created 91 jobs and 562 existing jobs have been retained	Since its inception SASIX has raised 14.65m for 73 projects designed to benefit a total of 78, 268 individuals thus indirectly creating job opportunities as capital raised would imply that it will be used for up-scaling purposes.	Shonaquip employs 68 people, of which 30% are people with disabilities and 55% of the total employees are female.	The Gauteng Women's Cooperative has more than 200 member cooperatives and each cooperative empowers 20 people.	Approximately 300 individuals passed through the Academy found permanent employment.	Membership of the Delft-based coop now stands at just under 3,700, and Pastor George estimates that it extends in the region of R5m in short term trading loans to members per month.

Gogogetters	Epilepsy South Africa	Social Economy project (SEP) (Flemish government)	The Job Creation Trust and Creative Designs	The South African social Investment Exchange	Shonaquip	Gauteng Women Initiatives (Gauteng Women Cooperatives)	Zoe Academy of Skills	Flash savings and credit cooperative
In some cases the Gogogetters receive grants for child care if they are the legal guardian of the child	In addition to the disability grant it pays to workers, government provides Epilepsy SA with a subsidy per worker per month of about 10% of the minimum monthly wage.	The project is implemented by the KwaZulu-Natal Department of Agriculture, Environmental Affairs and Rural Development. The provincial Department of Agriculture and local municipalities provide support to such gardens in the form of tractor loans, agriculture extension officers, seeds, pesticides and fertiliser	CDC is in a powerful position to influence policies through its association with the trade union federations. At present they are committed to driving policy change with government to protect the local design and production houses. They would like to see government creating enabling policies that encourage local design and production of clothes to boost employment.	There is nothing mentioned in the case study on cooperation with government	To avoid reducing staff, Shona applied for the Industrial Development Corporation (IDC) distress fund grant. The IDC did not provide relief for various reasons. The IDC is now trying to assist her through the Isivande Women's Fund. This fund aims to accelerate women's economic empowerment by providing more affordable, usable and responsive finance which falls under the Transformation and Entrepreneurship Scheme	The consortium of cooperatives – the Gauteng Women Initiatives leverage policy - black empowerment, equity and using economic assistance such as assistance for start-up capital and equipment made available by government. The Department of Infrastructure provided a building to house the cooperatives.	Zoe Academy approached the Provincial Government of the Western Cape (PGWC) for permission to use a building in 2009. A 10-year renewable lease on the 4,200 square meter premises was granted at the clean-up and renovations was done with the help of 200 volunteers the site was cleaned, and unemployed members of the community were hired to carry out renovations at a much lower cost than originally foreseen.	Flash Coop has obtained an R2m grant to assist with roll-out of new branches across the country from the South African Micro-Finance Apex Fund (SAMAF) – a governmental wholesale funding institution which makes finance available to/cooperative financial and micro-finance institutions.
Trying to make ends meet from child grants and to raise the necessary funds to provide homes and an education for the children.	The subsidy that the organisation receives from the government is not enough to cover the extra costs associated with employing workers with more severe disabilities, The revenue streams generated by the goods and services produced by the workshops are insufficient to cover operating costs.	Very few of the members are literate, and their numeracy skills are limited. To become self-sustaining, the cooperatives will need to keep proper financial records and set aside sufficient funds in their bank accounts not only to meet increased operating and maintenance costs, but also to finance growth	CDC sees, as their major challenge, influencing government policies around procurement within the textile industry. The CDC model has demonstrated its success in creating jobs throughout the entire supply chain, but this has not been supported with the relevant policy to prevent procurement of clothing from the East	No challenges have been identified	In terms of labour law compliance, Shona deals with the Furniture Bargaining Council. She considers working with the bargaining councils to be challenging.. She has to compete with the open market whilst managing a social purpose business. Difficult to comply with the bargaining council rules.	Cooperatives lack the required infrastructure and resources to generate self-sustaining income, for instance the absence of facilities and expertise.	No challenges were identified	Acquiring the requisite skilled personnel is often challenging under a cooperative structure which, by virtue of its egalitarian ethos, often results in limited scope for matching open-market remuneration levels.

Gogogetters	Epilepsy South Africa	Social Economy project (SEP) (Flemish government)	The Job Creation Trust and Creative Designs	The South African social Investment Exchange	Shonaqip	Gauteng Women Initiatives (Gauteng Women Cooperatives)	Zoe Academy of Skills	Flash savings and credit cooperative
Volunteering, not creating jobs	The main aim is to include multi disabled individuals with epilepsy and to find suitable forms of employment,	Community garden members are mainly women in a highly traditional region where their role remains strongly circumscribed by custom. This naturally leads to economic inclusion.	The textile industry mainly employs women and disabled individuals.	Sasix through its investment model allocates funding to a variety of social enterprises that includes women, disabled, and previously disadvantaged communities.	Shonaqip employs 68 people of which 30% are people with disabilities and 55% of the total employees are female.	The goal of the organisation is to empower women, but is inclusive of ex-prisoners, youth and people with disabilities	The programme targets poor marginalised members of the community to participate in training for employment.	No issues of inclusiveness were identified in the case.
NA	Protective workshops which provide employment opportunities, appropriate training and support Income generation projects providing opportunities for self-employment to more functional persons living with epilepsy and other disabilities	Agricultural training is provided under the Empowerment for Food Security Programme (EFSP), but this additional capacity building doesn't always result in economic activity	To date more than 38 000 jobs have been created and nearly 25 000 people were trained in various skills. Many indirect job opportunities have been created through procurement and supply of goods and services. All those people now possess the capacity to train others and/or create their own small businesses in which other people get employed and trained	Since its inception SASIX has raised R14.65m for 73 projects designed to benefit a total of 78,268 individuals[1] thus indirectly creating job opportunities as capital raised would imply that it will be used for up-scaling	To overcome the problem and to ensure long term sustainability for her employees, Shona is establishing a hub where she plans to develop her employees to become suppliers and run their own small businesses	Gauteng Women Initiatives programmes accommodate university graduates and interns, enabling the transfer of leadership skills, managerial skills as well as technical skills in the process. Women have also been empowered with technical and commercial skills	The Academy's initial focus was largely on fostering life skills, skills in the arts and on providing community services. Today, the Academy places greater emphasis on practical, vocational skills training, job placement and on providing support to individuals showing entrepreneurial potential. Most courses are accredited.	No issues of empowerment were highlighted in the case.
Indirectly they have as there is an awareness and government is acting on it.		There has been policy changes linked to the MDG's focusing on reducing poverty and enhancing rural development with agriculture being key.	CDC is in a powerful position to influence policies through its association with the trade union federations. At present they are committed to driving policy change with government to protect the local design and production	No policy issues were identified	Shona contributes to the Green paper of special Needs Education recommending that children with special needs should be included in neighbourhood schools. This resulted in a white paper	It is clear that the consortium of cooperatives – the Gauteng Women Initiatives, is contributing largely to influencing policy, while additionally leveraging policy to grow the business.	The academy leveraged the Skills Development Act and funds from the Skills Fund to effect training and job placement to individuals.	The original constitution limited membership in the cooperative to "The Take It Eezi vendors, members (holders of a Flash SIM card) and their families". Membership limitation to individuals who are

Gogogetters	Epilepsy South Africa	Social Economy project (SEP) (Flemish government)	The Job Creation Trust and Creative Designs	The South African social Investment Exchange	Shonaquip	Gauteng Women Initiatives (Gauteng Women Cooperatives)	Zoe Academy of Skills	Flash savings and credit cooperative
								customers of two related privately-owned commercial enterprises was identified as problematic by the Reserve Bank of South Africa when Flash Coop applied for a banking licence in – the granting of which is still under consideration
Live from children grants from government in most cases	Because their social purpose, the organisation cannot be profit driven and this limits their income	Money is collected from members at the beginning of the growing season to purchase seeds and fertilizer communally, however this isn't a sustainable approach and doesn't foster opportunities for growth and improvement.		Money comes from social investors and the challenge is to bring enough social investors to the market to make the social stock exchange lively.	To avoid reducing staff, Shona applied for an Industrial Development Corporation (IDC) distress fund grant. However, the IDC decided that she did not qualify for the distress fund and is assisting her with help through the women empowerment funding. IDC is a government agency.	Cooperatives lack the required infrastructure and resources to generate self-sustaining income, for instance the absence of facilities and expertise.	No financial challenges were identified from this case	No direct financial challenges were identified in this case - however one may assume that there is a drive for social investors.
No labour related policy problems have been identified because this is a volunteer service,	For Epilepsy SA it is difficult not being able to raise enough donor funding because they are not able to pay workers the minimum wage determined by the relevant Bargaining Council even though the workers are willing to work for less.	This is a cooperative so the member determine working conditions and it is their responsibility to make the enterprise profitable.	No labour related policy problems have been identified and this is also part of a labour movement initiative to create jobs.	None	The bargaining council demands in terms of labour law compliance remains the biggest challenge.	None have been identified	No labour related policy problems were identified in this case	No labour related policy problems were identified.

7. ANNEXURE B



CASE STUDY 1: GOGO GETTERS OR GOGO GRANNIES

Dr Susan Steinman

Gogo is Zulu for granny. Many parents watch their children or neighbours die of HIV/Aids related illnesses and have to take care of their grandchildren or strangers' children. These grandmothers have emerged as the unsung heroes of the HIV/Aids pandemic in Sub-Saharan Africa. They become parents again and organise themselves into projects and support one another to take care of the grandchildren, children or some child-headed households.

In some cases these Gogo-getters receive grants for child care if they are the legal guardian of the child. Support from local or international foundations is usually in the form of food, clothing, equipment, furniture and sometimes cash donations from organisations such as iKeep a Child Alive that support the Gogo Grannies Outreach Project in the township of Alexandra near Sandton.

These groups of courageous women and voluntary carers would be typical of a less formal, unregistered association.

SALIENT POINTS:

- There are a large number of unregistered community-based organisations in South Africa.
- The number of unregistered community-based organisations could equal or exceed the number of organisations registered with the Department of Social Development's non-profit directorate.
- There should be greater dialogue between the relevant government departments and the Gogogetters to ensure the continued care of these vulnerable children and enough assistance for the Gogogetters to raise the children.

CASE STUDY 2: EPILEPSY SOUTH AFRICA, WESTERN CAPE BRANCH: ECONOMIC DEVELOPMENT & EMPOWERMENT PROGRAMME

Mr Jerome de Rooij

Epilepsy South Africa is a non-profit organisation founded in 1967 to represent the interests of people with epilepsy and provide support to those unable to cope in the open labour market. This organisation was a winner in the Social Business Plan Competition of The Business Place in 2009.

In South Africa about one in five of all people living with a disability suffers from epilepsy – almost double the ratio found in developed countries. The incidence of epilepsy in rural and poverty-stricken areas is estimated to be twice the national average, and over 80% of people with epilepsy are unemployed country-wide. *

The primary purpose of the organisation's Economic Development and Empowerment Programme is to assist people living with epilepsy and other disabilities to overcome the hurdles they face in trying to improve their livelihoods, and thereby contribute to narrowing the unemployment gap between the people with disabilities and those without.

The following initiatives have been conceived to achieve the objective of employing more disabled persons, of which the first two are revenue-generating:

- Protective workshops that provide employment opportunities, appropriate training and support for multi-disabled adults with limited work abilities. There are more male referrals than females. Income generated by the goods produced and services rendered helps to pay for the running and upkeep of the workshops, but they are not yet self-sustaining. In the longer term, the aim is to transform them into economically viable units able to fully comply with South African labour legislation (Basic Conditions of Employment (BCE) Act, Occupational Health and Safety (OHS) Act and the Employment Equity (EE) Act). There are currently three workshops in the Western Cape which employ 60 people and manufacture products such as pine furniture and hosiery and offer packaging and recycling services.
- Income generating projects providing opportunities for self-employment to more functional persons living with epilepsy and other disabilities, as well as their family members. There are more females in this group than males.
- Developing the capacity of people living with epilepsy and other disabilities to participate more effectively in the mainstream labour market through knowledge and skills development.

Epilepsy South Africa (SA) Western Cape's Director identified that critical to the sustainability of the organisation is the issue of social purpose versus financial sustainability. Epilepsy SA feels that, for so long as sufficient government or other donor funding is not forthcoming to enable the protective workshops to pay workers the minimum wage determined by the relevant Bargaining Council, Epilepsy South Africa should be allowed to continue paying lower wages.

Workshop employees falling into the lowest pay category earn (including the disability grant) about 25% less than the determined minimum wage. In addition to the disability grant it pays to workers, government provides Epilepsy SA with a subsidy per worker per month of about 10% of the minimum monthly wage. Epilepsy SA contends that this falls a long way short of compensating for the extra costs associated with employing workers with more severe disabilities. Such workers require high levels of supervision and generally cannot match the productivity of the "abled" because of the need for care. Equipping the workshops to provide for their disabilities also requires additional costs. Even at present lower wage levels, revenue streams generated by the goods and services produced by the workshops are insufficient to cover operating costs.

Epilepsy SA is trying to obtain funds for training with the Sector Education and Training Authorities (SETAs). It is turning to the newly-created Jobs Fund for employment creation.

SALIENT POINTS:

- The decent work agenda in terms of compliance with the minimum wage and health and safety regulations is sacrificed because of a shortage of finance.
- Jobs and care could be lost if Epilepsy SA is forced into a situation where the Bargaining Councils could force it to comply with the minimum wage.
- This poses an ethical dilemma requiring dialogue with the state.

CASE STUDY 3: THE SOCIAL ECONOMY PROJECT (SEP) BY THE FLEMISH INTERNATIONAL COOPERATION AGENCY (FICA) IN NORTHERN KWAZULU-NATAL

Mr Jerome de Rooij

The Flemish International Cooperation Agency's (FICA's) Social Economy Project (SEP) in northern KwaZulu-Natal is an indirect assistance initiative funded by the Flemish Department of Work and Social Economy aimed at connecting seven community gardens in two rural municipalities (Big 5 False Bay and Umhlabuyalingana) with an on-going government procurement stream - the National Schools Nutrition Programme (NSNP).

This project set out to activate of a procurement system to establish community-based social economy enterprises. This project could establish a model that can be replicated

The seven gardens under SEP are among the 400 in KwaZulu-Natal (KZN) earmarked to receive critical infrastructure upgrades and agricultural training under the Empowerment for Food Security Programme (EFSP) – also funded by FICA and implemented by the KZN Department of Agriculture, Environmental Affairs and Rural Development (DAEA&RD). The EFSP investments have laid the basis for enhanced yields and an extended

growing season, allowing SEP to establish a secure outlet for surplus production, moving the gardens from enhanced subsistence to target market operation, thereby creating sustainable cooperative enterprises.

Since the great majority of community garden members are women in a very traditional region where their role remains strongly circumscribed by custom, this would result in their economic inclusion and create conditions for greater emancipation. Although in a minority, men are generally elected to the positions of Chair, Treasurer and Secretary of the cooperatives. *

Much of the land in this region is tribal, and therefore accessible to individuals as well as collectives. The impetus behind the creation of community gardens can thus be ascribed to factors such as the need to pool resources to create basic infrastructure such as a fencing to keep out domestic animals, and to procure basic inputs.

The provincial Department of Agriculture and local municipalities provide support to such gardens in the form of tractor loans, agricultural extension officers, seeds, pesticides and fertilizer. The land within community gardens is generally divided into sections of equal size, one for each member. Members cultivate their allotted area individually and either take home or sell what surplus they manage to produce.

Thirty schools covered by the National School Nutrition Programme (NSNP) in the vicinity of the seven gardens were identified, in which nearly 12,000 children are provided with lunch every school day. It was envisaged that initially the gardens would initially sell their surpluses to the individuals or companies currently contracted to provide meals at the schools, but that eventually the garden cooperatives would be in a position to successfully tender for these supply contracts. In addition to capturing the full margin on their surplus vegetable production, they would thereby also generate income through the provision of a range of other services required by these contracts (supply of foodstuffs other than vegetables, of firewood/gas, and the preparation of meals). In the longer term, provided sustained increases in production levels were achieved, the cooperatives might also be able to link into government food procurement for prisons and hospitals and to supply the local hospitality industry.

The social economy partner of this study conducted was commissioned to produce a mid-term evaluation of the project after an agri-economic analysis and viability study in April 2011 and found that the potential yield of the gardens – assuming that a reliable supply of water and a range of other interventions were forthcoming – was sufficient to meet the schools' demand for vegetables. To date, however, surplus production in the seven gardens has not increased sufficiently to allow for the establishment of contractual relationships with existing NSNP service providers. This is in large part due to the late provision of infrastructure upgrades and agricultural training caused by delays in the KZN DAEA&RD's supply chain management. In the interim, the gardens have continued to operate in a traditional subsistence manner, yielding only one or two crops of the required vegetables per year between March and June. During this time (2010), the largest NSNP service provider and the two larger local supermarkets went to the gardens to purchase vegetables, buying as much as was available and of an acceptable standard.

The seven gardens have a total membership of 147. Gender breakdown was available for three out of the seven gardens; in these the ratio of women to men is 17:1, 17:4 and 30:3 - on average 87.5% of the members were women.

Few of the cooperative bank accounts opened by the gardens with the assistance of the DAEA&RD appear to have been used. In several cases these accounts had been dormant for so long that they have been closed. This indicates that, in the main, collective saving for reinvestment does not take place. Under subsistence operation, money is collected from members at the beginning of the growing season to purchase seeds and fertilizer communally. Market-driven production will require ongoing input purchases and entail new and significant maintenance costs.

Previously, small surpluses were sold to members of the local community. As surplus production expands, they will increasingly need to turn to the more sophisticated and demanding wholesale market. Establishing ongoing business relations with local bulk vegetable buyers are likely to require a greater degree of market knowledge and collective action - at least in terms of surplus production pooling and sales.

Very few members are literate and their numeracy skills are limited. To become self-sustaining, the cooperatives will need to keep proper financial records and set aside sufficient funds in their bank accounts not only to meet increased operating and maintenance costs, but also to finance growth. Providing members

with an understanding of business development cycles will assist them to either save or apply for loans to develop their enterprises.

In light of this, a mid-term project evaluation conducted recently highlighted the need to provide garden cooperatives with a range of enterprise management support initiatives (towards which the Department of Agriculture, Environmental Affairs and Rural Development and the Economic Development Department (EDD) and Tourism could both, potentially, contribute):

- Appointing an agricultural manager to provide ongoing training and mentorship.
- Adapting and formalizing the cooperative's existing framework of rules. These having evolved in the context of subsistence production are unlikely to prove adequate to the challenges which a move to market-driven production will entail. Issues likely to require attention include:
 - Compensation for differing levels of contribution among members; as skill and effort levels are bound to vary and certain members will be called upon to perform more tasks for the collective
 - Whether or not the cooperative's leadership should be mandated to take certain operational decisions on behalf of the collective
 - Conditions under which new members can join and existing members leave the cooperative
 - Mechanisms for arbitration and conflict resolution when disputes arise among the membership
 - Provision of basic accounting and financial skills.

SALIENT POINTS:

- This is a good example of foreign donors supporting the social economy in SA in cooperation with provincial and local government structures.
- The majority of the members of the cooperatives are women
- Productivity is low
- Illiteracy is a problem.
- Mentorship needs to be provided on an ongoing basis.
- Existing framework of rules to be adapted in terms of compensation levels, who take the decisions, conditions of joining/leaving of members, conflict resolution and training

CASE STUDY 4: THE JOB CREATION TRUST AND CREATIVE DESIGNS - THE FLAGSHIP ENTERPRISE

Dr Susan Steinman

Following agreements reached at the Presidential Job Summit held in 1998, the Congress of South African Trade Unions (Cosatu), the National Council of Trade Unions (Nactu), and the Federation of Unions of South Africa (Fedusa) founded the Job Creation Trust and workers of South Africa contributed one day's wages in the year 2000 to the value of R89 million. The funds contribute to the establishment of co-operatives and community driven projects where all the unemployed work together to earn a livelihood for their families.

To date, more than 38 000 jobs have been created and nearly 25 000 people were trained in various skills. Many indirect job opportunities have been created through procurement and supply of goods and services. All those people now possess the capacity to train others and/or create their own small businesses in which other people are employed and trained. Examples of projects started through the Job Creation Trust are: Creative Design, Bophelo Community Project, Virginia; Boitelo-Letsie HIV/Aids Care and Support, Welkom; Centre for Uplifting Rural Economies (CURE), Philadelphia National Youth Directorate – to name a few.

Creative Design – Job Creation Trust initiative

Creative Design Company (CDC)'s social purpose is to maximise employment within the textile industry. They provide design services for retailers, and through its supply chain, manage the manufacturing of the clothes it designs.

Creating Jobs

This integrated service allows the company to employ hundreds of people. CDC got involved with the clothing design sector because work in this sector was increasingly outsourced to the East. To avoid further job losses during the recession, CDC was launched with two major retailers – Woolworths and Pick 'n Pay – as their

clients. The supply chain is flourishing and 91 jobs have been created while 562 existing jobs have been retained.

Influencing policies

CDC is in a powerful position to influence policies through its association with the trade union federations. At present they are committed to driving policy change with government to protect the local design and production houses. They would like to see government create enabling policies that encourage local design and production of clothes to boost employment. An example is a recommendation to decrease import duties and taxes on textiles that are not manufactured in South Africa to assist local manufacturers.

Challenges – the road ahead

CDC sees, as their major challenge, influencing government policies around procurement within the textile industry. The CDC model has demonstrated its success in creating jobs throughout the entire supply chain, but this has not been supported with the relevant policy to prevent procurement of clothing from the East.

SALIENT POINTS:

- The trade unions selected skilled professionals to drive the Job Creation Trust (JCT) and from the manner in which Creative Design (wholly owned by the JCT) is run it is clear that the SSEO can effectively create jobs – in this case take over an existing company, turn it around and maximise employment.
- There is a need to protect the ventures in the SSEO against foreign competition.
- Companies maximising employment such as CDC should be incentivised as SSEOs and encouraged as this could lead to better employment in the sector.

CASE STUDY 5: THE NEW SSEO – THE SOUTH AFRICAN SOCIAL INVESTMENT EXCHANGE (SASIX) AND THE NEXUS FOR IMPACT INVESTING (NeXii)

Mr Jerome de Rooij

The South African Social Investment Exchange (SASIX) was launched in 2006 by Greater Capital, a social and impact investment advisory consultancy established in 1997. SASIX is among the world's first social investment exchanges, and provides an internet platform tailored to facilitating social investment by individuals and small to medium-sized enterprises. By identifying and selecting projects, providing monitoring and evaluation, and releasing progress reports, SASIX assures functions which such investors are unable to conduct for themselves.

A key innovation has been adapting the concept of financial due diligence to the social investment sector. Potential projects are screened by means of two internally developed due diligence tools: an 'organisational capacity assessment tool' used to evaluate the strengths of the established organisation which will run a project, and a 'project risk assessment tool' used to evaluate the risk profile of a specific project or intervention.

Since its inception SASIX has raised R14.65m for 73 projects designed to benefit a total of 78,268 individuals⁶ thus indirectly creating job opportunities as capital raised would imply that it will be used for scaling up purposes. These projects span a range of prioritised development sectors which include education, health, food security and agriculture, environment and conservation as well as small business development.

Although some larger companies have invested through SASIX, the bulk of corporate social investment budgets in South Africa tend to be managed directly by large companies which have developed internal capacity to do so. Because the majority of SASIX investors are able to devote more moderate amounts of funding to projects, smaller projects constitute the bulk of its portfolio – those with a total value of under R0.25m representing roughly 75% of those listed on exchange. Furthermore, SASIX has found that in the current economic climate, investment by the corporate sector has experienced the sharpest decline.

⁶ Data obtained from Elena Mancebo, Head of Research & Evaluation, Greater Capital

About 85% of listed projects⁷ are not designed to generate revenue streams which could reduce their reliance on grant funding and represent a flow of income over which investors could potentially hold some form of ownership. Even in the case of the 15% of projects which do generate significant revenues, SASIX investors cannot be described as holding an equity stake. In effect, SASIX is a platform through which grant-based initiatives selected and recommended by Greater Capital are marketed. Investment activity is consequently limited to raising donations at 'primary listing' stage, with no possibility of subsequent exchange of 'ownership'.

In 2009 Tamzin Ratcliffe, who founded the GreaterGood Group, decided to hand over the reins of the enterprise to pursue the development of a new initiative: the Nexus for Impact Investing (NeXii). The core objective of this initiative is to leverage larger-scale private sector investment in high social and environmental impact enterprises by significantly improving the capital market intermediary infrastructure for the sector. NeXii aims to overcome barriers limiting the flow of capital to the sector – such as lack of visibility, transparency and comparability between different investment opportunities - by providing an open access information portal and a meeting place for all players to engage efficiently.

NeXii strongly believes that making information presently only available to professional intermediaries readily accessible to individuals will result in such intermediaries becoming more knowledgeable about and more motivated to promote impact investments. It also aims to contribute to the development of best practice standards for impact performance measurement, thereby enabling comparisons across investment sectors, regions, enterprises, and financing options.

In order to cater for the diversity of enterprises found in the impact sector – from newly created small entities to larger more established businesses - NeXii has adopted a tiered approach comprising three marketplaces:

- A fully regulated impact investment exchange board to be incorporated into the Stock Exchange of Mauritius for more established companies seeking a public listing in the traditional capital markets.
- A private placement platform where impact businesses can raise unlisted equity and debt.
- A private placement platform which resembles SASIX in that it provides grant and convertible grant funding, but which differs from it in that such funding would be targeted at enhancing recipient enterprises' capacity to generate financial returns - rather than being a donation which covers operating expenses.

In order to qualify for entry to any of the above marketplaces, an applicant must have:

- A specific and clearly stated positive social or environmental impact as the primary reason for its existence;
- A clearly articulated purpose or 'theory of change' which it brings to the area in which it seeks to create impact, on which performance assessment indicators are to be based;
- A commitment to ongoing monitoring and evaluation of impact performance using clearly defined indicators;
- A sustainable business model and a market orientation. Although applicants need not have reached profitability to be accepted, they must exhibit a market-based approach, which in time should provide a return on capital.

NeXii's iX and unlisted equity and debt platform have received approval from the Financial Services Commission of Mauritius and are due to be launched later this year. NeXii sees iX as the first of its kind – a fully regulated exchange board dedicated exclusively to primary purpose impact companies and operating with its own listing and reporting rules. Social enterprises based in South Africa, Kenya, Tanzania, Uganda, Zambia, Rwanda, Nigeria, Ghana and Sierra Leone are currently being considered for listing on one of the two platforms, as well as some based in Latin America and India.

NeXii elected to operate through the Stock Exchange of Mauritius (SEM) for a number of reasons:

- NeXii's roots and headquarters being in South Africa, its founders wanted to partner with an African exchange.
- SEM enjoys a number of competitive advantages relative to the Johannesburg Stock Exchange. Unlike South Africa, Mauritius has almost no foreign exchange controls; profits realised through the sale of

⁷ Ditto

shares listed on its stock exchange are not subject to capital gains tax and dividends paid by companies listed there are not subject to withholding taxes.

- SEM offers the possibility of listing and trading shares in US Dollars, Euros and British Pounds as well as in Mauritian Rupees. 40% of its daily trading volumes are generated by international investors.

Over the past four years, Tamzin and her team have liaised with groups developing impact or social investment platforms in the UK, Singapore, Canada, Kenya, the US and France. Such international collaboration is seen as critical to the development of global standards allowing consistent monitoring/evaluation of impact enterprises and enabling comparability of different investment opportunities in the sector.

SALIENT POINTS:

- SASIX indirectly influence up-scaling in the SSEO sector because it attracts social investments.
- This makes access to capital and therefore up-scaling easier.
- This could draw attention and investment to the sector in general – resulting in up-scaling
The social stock exchange may hasten the advent of a dedicated community interest company or social enterprise entity which allows for share equity on a controlled basis.

CASE STUDY 6: SHONAQUIP

Dr Susan Steinman

Shonaquip is a social enterprise owned by Shona McDonald since 1992. Shona McDonald is an award-winning social entrepreneur. Her company manufactures and distributes wheelchairs, back supports, positioning and assistive devices, therapy equipment, communication devices and incontinence products. She also provides supportive services through therapists and trainers.

The enterprise is a result of Shona's deep connection with the needs of people living with disabilities. Shona's daughter was born with cerebral palsy in 1981 and her discovery that wheelchairs in South Africa were not suitable for children with this type of mobility disability led her to become occupied with the needs of People With Disabilities (PWDs), including those in disadvantaged communities. Shona McDonald is a leading example of how a social entrepreneur is able to leverage policy or act in an innovative way to overcome any obstacles.

Policy in General

Shona – like many other social entrepreneurs interviewed during the course of this study – believes that the policies in South Africa are very enabling, but that the problems are more often experienced at the implementation level than at the political level.

Policy and the Business Model

Shona started two non-profit organisations over a period of ten years, but found that the restrictions and risks of relying on large organisation's funding criteria and agendas was simply too unpredictable, unreliable and frustrating. Pressure from funders to address their own objectives often interfered with the NGO's social purpose and she felt that she was seldom able to obtain funding for what actually needed to be done. The funders' needs took precedence over that of the people that needed to be served. An example of such a frustration is as follows: a funder has a fixed amount of money and is interested in the quantity of wheelchairs (20 wheelchairs costing R4 000 each rather than 10 more appropriate and supportive wheel chairs at R8 000 each.) Specially adapted wheelchairs are required by children with more severe disabilities and special frames and wheels for people living in rural areas because of challenges such as sand and uneven surfaces. The wheelchair needs to address the needs of each user (Steinman, 2010).

The frustrations led her to start up her own for-profit company because she could make her own decisions on how to spend money and how to respond to the needs of people with disabilities. However, Shonaquip reinvests all surplus funds into business development and community based training (Steinman, 2010).

Shona McDonald is basically driving change in the field of wheelchair provision, now impacting at a global level – demanding that wheelchairs address the needs of the users in terms of postural support and prevention of secondary health complications, which are huge and unnecessary costs to the economy. In order for this to be effective, Shonaquip provides associated services and training for all involved: user, parent, carer, rehabilitation worker and professional.

Shona McDonald created a foundation to raise money to cover the costs of these additional activities to ensure the models success and to get access to funding for research, advocacy and devices for disadvantaged people (Steinman, 2010).

Shonaquip and job creation

Shonaquip employs 68 people, of which 30% are PWDs and 55% of the total employees are female. It is very clear that this social enterprise is not only providing wheelchairs and other equipment to people living with disabilities, but it is also employing a large number of persons with disabilities.

Broad-based black economic empowerment (BBBEE) and Enterprise Development

Shonaquip is a BBBEE compliant company but, when asked whether she leveraged off policy such as Enterprise Development, Shona responded this has not been possible yet, but that she was continuing to explore this field. However, to develop her employees, she is engaging in some enterprise development herself and plans to open an open labour work hub.

Labour Laws and the BBBEE Scorecard

In terms of labour law compliance, Shona deals with the Furniture Bargaining Council. Shona considers working with the bargaining councils to be challenging. She has to compete with the open market whilst managing a social purpose business. It is very difficult to comply with the bargaining council rules. To comply additional structures are required and Shona's salary bill increased considerably to accommodate the bargaining council. An example would be fixed annual increases, holiday pay deducted in advance and 13th cheque which is mandatory and not based on individual performance and outcomes. To survive, Shona had to consider reducing staff because she could not afford to maintain the salary bill on the back of existing commitments to government tenders.

To avoid reducing staff, Shona applied for an Industrial Development Corporation (IDC)⁸ distress fund grant. She wanted to get her company out of distress in order to avoid staff reductions. However, the IDC decided that she did not qualify since the company was not in enough distress (they foresaw the distress and tried to minimise the crisis). Moreover, the distress was not related to the recession. A year later the IDC is now trying to assist her through the Isivande Women's Fund. This fund aims to accelerate women's economic empowerment by providing more affordable, usable and responsive finance which falls under the Transformation and Entrepreneurship Scheme.

To overcome the problem and to ensure long-term sustainability for her employees, Shona is establishing a hub where she plans to develop her employees to become suppliers and run their own small businesses. That would fall under Enterprise Development which will immediately give her 15 points on the BBBEE scorecard discussed earlier. This is not considered to be a solution to the bargaining council problem or a reaction to it, but rather an attempt by Shona to expand her development aims and find a better way to run her business by developing people and making them responsible for themselves.

Shonaquip's contribution to policy development

World Health Organisation Guidelines for the provision of manual wheelchairs in less resourced settings

Shona made a significant contribution to these guidelines as a contributor and a peer reviewer. The guidelines focus on manual wheelchairs and the needs of long-term wheelchair users. The recommendations are targeted at those involved in wheelchair services, ranging from design, standards and planning, to providing or supplying wheelchairs and their maintenance.

The guidelines are divided into five chapters and include an introduction, design and production, service delivery, training, policy and planning.

⁸ The IDC exists to enhance the industrial capability of South Africa, and the rest of the continent, boosting economic growth and industrial development. There are different types of funding, namely take-overs and buy-ins by historically disadvantaged people, expansions by existing businesses, small, medium and start-up businesses.

Green paper on Special Needs Education for Children

Shona contributed to the green paper on Special Needs Education recommending that children with special needs should be included in neighbourhood schools. This resulted in a white paper. As a result of the white paper Shona was asked to write the draft policy plan on “Guidelines for the supply and maintenance of assistive devices and specialised equipment to special and full-service/inclusive schools” in February 2010. Shona was frustrated that her company was part of a consortium employed to run this pilot project and yet nothing further has transpired to ensure sustainability of the project, to implement the recommended collaboration with Department of Health, nor the and establishment of community based support services. She refers to these as problems related to policy implementation.

Outreach Seeking Clinic Service

Shona also wrote a proposal for the Western Cape provincial government for Outreach Seeking Clinic service for community-based health care for people with wheelchairs. South Africa’s public transport is not geared for people with disabilities and if, for instance, a wheelchair is broken, the user will have no means to have their seating reviewed regularly or access spare parts and repairs or have taxi money to go to a city to have this done. In this proposal Shona suggests that the services be established at community level so that people in these rural areas to access them. She hopes that this recommendation will soon be adopted as policy.

Summary

From the above it is clear that Shona McDonald has made a significant impact, not only as a social entrepreneur, but her impact can also be felt in her contributions to policies and guidelines worldwide. She took the initiative to bring about changes in policies. She still maintains that the policies are enabling, but that the implementation between those that need these services and the different levels of government remains a problem.

SALIENT POINTS:

- Policies for the SSEO are very enabling in South Africa, but the problem is at the implementation level.
- Driving change in wheel chair provision on a global level.
- Inclusive: 30% of employees are PWDs and 55% are women.
- Labour policies difficulties: Experience problems with bargaining councils to understand employer circumstances to provide for PWDs
- Starting a hub to train employees to become self-sufficient suppliers
- Contributed as a peer reviewer for WHO Guidelines for the provision of manual wheel chairs in less resourced settings, contributed to green paper on Special Needs for Children and a proposal for provincial government to make access to care easier for PWDs.

CASE STUDY 7: GAUTENG WOMEN COOPERATIVES AND THE CTU PROJECT MANAGEMENT

COOPERATIVE

Dr Susan Steinman

Background

This is the story of a successful partnership between government and the social economy at the provincial level. The Gauteng Women Cooperatives are projects managed by the Clothing, Textile and Uniform (CTU) cooperative, but operate as a hybrid model together with the Gauteng Women Initiatives, a non-profit organisation to encourage women to organise their businesses into cooperatives and leverage funding opportunities in the clothing and textile industry in Gauteng with a particular focus on the provision of linen items for hospitals in the region.

This project is cherished by politicians and, in particular, by the former first lady of South Africa, Ms Zanele Mbeki who had a particular interest in getting the project off the ground and arranged for them to receive

support. This is one of the most outstanding examples of how government cooperated with women to empower 12 cooperatives and create jobs in the process at a provincial level.

Nonhlanhla Mpachoe, manager of the CTU Supplies which became CTU Cooperative, is a former nurse and her involvement in this initiative is of utmost importance because of her knowledge and the success of CTU Cooperative. Nonhlanhla has struggled for more than a decade to run a hospital linen business which she describes as a continuous learning process. She was the twelfth cooperative to join the Gauteng Women Cooperatives and is the project management cooperative. Her manufacturing and marketing models have proved to be a huge success and the cooperatives under her leadership are in the business of providing linen, including hospital bed sheets, pyjamas for patients and operating-room clothes.

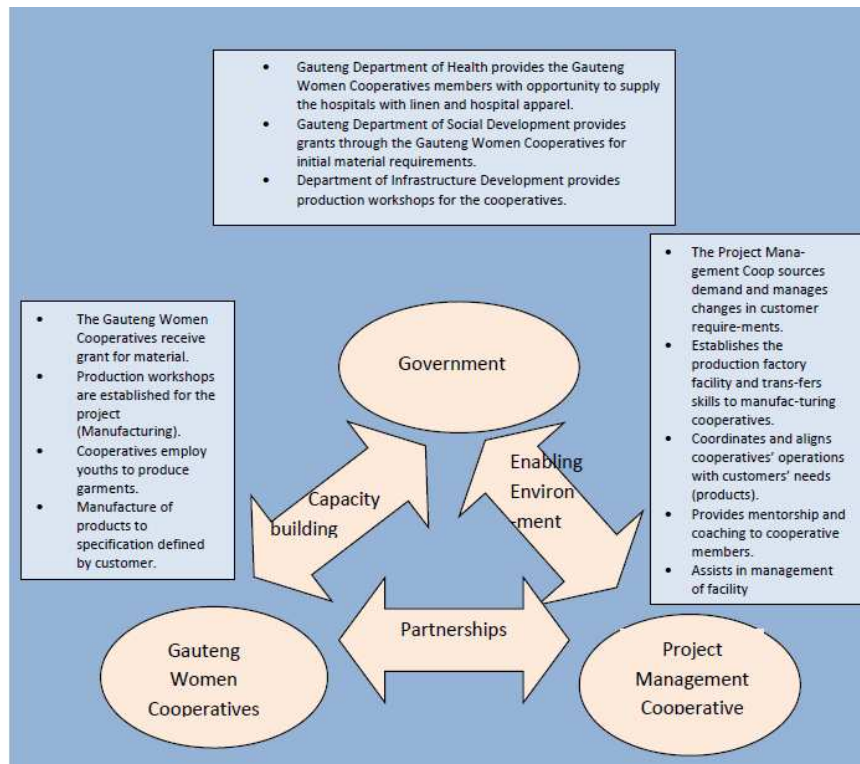
The Gauteng Women Cooperatives are all privately owned cooperatives. CTU plays a very important role in project managing, technical skills transfer and capacity building. Gauteng Women Cooperatives mobilized women-owned cooperatives in the six districts within the Gauteng Province (Joburg Metro, Ekurhuleni, West Rand, Sedibeng, Tshwane and Motsweding). They identified the clothing and textile industry as a suitable pilot project – which was when Nonhlanhla was approached to get the CTU Manufacturing Cooperative involved and for all 12 cooperatives to work together. CTU assisted the cooperatives in bringing their work up to standard and for presentation to the Department of Health and Social Development to secure a contract. The benefit was that the Department of Health was actively involved in this process and they submitted the proposal as a consortium of cooperatives to deliver the 12 products to the Gauteng hospitals. The project is graphically presented on the next page:

The 12 cooperatives formed a non-profit organisation called the Gauteng Women Initiatives (referred to as the Apex body). This was necessary because the cooperatives were privately owned and they needed a legal entity to bring these cooperatives together and also to leverage funding opportunities. The GWI has more than 200 member cooperatives.

Gauteng Women Initiatives (GWI) programmes accommodate university graduates and interns, enabling the transfer of leadership skills, managerial skills as well as technical skills in the process.

The GWI also acts as the visionary body to accelerate the progress of the cooperative. The following is an example of how the GWI manages seed funding. The GWI sourced seed funding to buy fabric, but instead of using the seed funding as a once off, the seed funding was ploughed back into the GWI once the cooperatives received payment for their products. One may refer to this practice as revolving seed funding.

This project is typical of the social economy because there is a mixture of social and economic objectives while the goal is to empower women, but is inclusive of ex-prisoners, youth and People With Disabilities (PWDs).



PRESENTATION PROVIDED BY N MPACHOE FOR INCLUSION IN THE CASE STUDY

Challenges and opportunities experienced by CTU as the Project Management Cooperative

The key challenges are:

- Methodologies and approaches are deeply ingrained in government and donor funding, resulting in limited projects and financing mechanisms.
- Cooperatives lack the required infrastructure and resources to generate self-sustaining income, for instance the absence of facilities and expertise.
- There is scepticism about the effectiveness and ability of current cooperative programmes to create meaningful employment because of the high failure rate.
- Graduates of the training programmes face difficulties in securing long-term employment because of limited employment opportunities in the communities and because the training programmes are not geared or structured to meet defined commercial requirements.

Opportunities through partnerships

- Create self-sustaining initiatives by providing an appropriate level of commercial focus to reduce reliance on government and donor funds.
- Proper workshops to be set up- layout and correct equipment, production and measurement tools – incubation to allow process ownership and transfer of skills.
- Generate own income and ensure proper management of funds and initiatives through organisational and financial systems.
- Enable business skills transfer to cooperatives and their respective stakeholders.
- Develop training programmes linked to defined commercial opportunities.
- Assist with access to capital and develop employment opportunities in poor communities.

Social and economic purpose and impact

The proposed engagement balances social and economic development objectives. Their social responsibility is to focus on providing sustainable developmental opportunities for women and youth.

The aim is to establish social entrepreneurs who develop commercial processes and systems to satisfy customer needs and on the other hand promote the empowerment of the workforce, create jobs in communities resulting in poverty alleviation, crime reduction, etc. thus balancing commercial and social needs.

The NPO also seeks to create a socio-economic enabling environment for the cooperative women exposing them to workshops and conferences such as MDG conferences and gender equality workshops, etc.

- Women have been empowered with technical skills – individual empowerment.
- Women are empowered with commercial skills.
- Jobs created – each cooperative will empower 20 people.
- Youth are involved through internship programmes.
- Community development projects.
- Career guidance for youth, further education and training.

Through this approach, CTU and partners earn sustainable revenue to invest further, create more jobs, and engage in skills development and learnerships in order to develop the cooperatives further.

Replicability

The success of this project led political leaders to believe that it should be replicated in other provinces.

Impact

The model delivers sustainable businesses which create jobs within communities, empowers graduates and employees, provides satisfaction to the clients and a return on investments for the shareholders.

The stakeholders are benefitting in terms of skills transfers to manage funds prudently, managerial and technical skills being transferred to young trainees and possibly their communities, while training programmes lead to further empowerment.

The programme also provides access to private sector capital and expertise to fund and develop employment opportunities in poor communities.

LEVERAGING OFF PUBLIC/ PRIVATE / INSTITUTIONAL PARTNERSHIPS

The project's identified economic requirements lead to the identification of the following business partners:

- Identified Customer Groups, Raw Material & Equipment Suppliers, other SMEs; members of South African Women Entrepreneurs' Network (SAWEN) and Technology for Women in Business (TWIB).
- Department of Trade and Industries (DTI) Agencies, Youth Commission, Public Enterprise Department.
- Local Government: Local Economic Development (LED) and citizen-based organisations (CBOs)
- Universities, Colleges & Sector Education and Training Authorities (SETAs)
- Development & Empowerment Agencies: Independent Development Trust (IDT); National Development Agency (NDA); South African International Business Linkages (SAIBL) and foundations.

Leveraging policy

It is clear that the consortium of cooperatives – the Gauteng Women Initiatives, is contributing largely to influencing policy, while additionally leveraging policy to grow the business.

Economic Empowerment: The Department of Trade and Industry provides assistance to the tune of R350,000 as start-up capital for cooperatives in the form of equipment and services.

BBBEE: Because these cooperatives are owned by black women, the preferential procurement aspect of the BBBEE scorecard allows the organisation to gain significant points (as many as 20) when doing business with service providers that have a high BBBEE score.

Employment Equity Act: The fact that this is a women-owned social enterprise leads to compliance and more opportunities.

The Department of Infrastructure provided a building for the cooperatives to be housed in.

The Gauteng Women Initiatives will also have preferential access to initiatives like the Jobs Fund launched by the President some time ago, as it is an initiative for women wishing to up-scale the operation.

CONCLUSION

This unique model contains a number of lessons and should be further developed to be replicated in all provinces of South Africa. The idea of a project management cooperative for a collective of cooperatives could well be instrumental in assisting the cooperatives to become successful and may well prove to be the answer to reducing the high failure rate of cooperatives in South Africa.

Furthermore, the biggest advantage of the project-managed cooperative such as Gauteng Women Cooperatives is that these are cooperatives with a social purpose and therefore the focus would be on a more inclusive economy.

SALIENT POINTS:

- Great concern country wide because of the failure of cooperatives.
- CTU cooperative very successful – CTU became the Project Management Coop for 12 Cooperatives to form a consortium of cooperatives
- This programme is a government intervention at provincial level with a number of provincial government departments involved in this pilot project.
- The cooperatives are all women-owned – Gauteng Women Cooperatives over 6 districts of the province.
- NPO – Gauteng Women Initiative is the apex body and raise funds for the cooperatives
- Women have been empowered with technical skills – individual empowerment
- Women are empowered with commercial skills
- Jobs created – each cooperative will empower 20 people
- Youth are involved through internship programmes
- Community development projects
- Career guidance for youth, further education and training and cooperatives are creating jobs.
- The cooperatives leverage public/private partnerships to raise funds
- The women coop is advantaged by policy in that they are earmarked for preferential procurement because they are black women.

CASE STUDY 8: ZOE ACADEMY OF SKILLS & FLASH SAVINGS AND CREDIT COOPERATIVE – DELFT, CAPE TOWN

Delft is a suburb or 'township' in Cape Town situated near the airport which, according to 2001 Census, is home to 60,667 people. According to the City of Cape Town statistics 73.29% of the residents are Coloured and 25.55% Black African. 84% have an education level below Grade 12 while 44% are unemployed and 66% of the economically active earn less than R1601 per month.

The incidence of substance abuse, violence, crime, gangsterism, child abuse and teenage pregnancy in Delft has been unacceptably high.

Charles and Delecia George established a non-profit organisation (NPO) there in the late 1990s called Home of Compassion Ministries. The vision of the NPO was to help the community from to overcome unemployment, poverty and despondency - by fostering a culture of hope and by providing skills and awareness programmes.

Pastor Charles George identifies the decision to shift the NPO's focus from 'relief' to 'economic and social development' as the seminal moment which launched the dynamic which today propels two key community-based initiatives: the Zoe Academy of Skills and the Flash Savings and Credit Cooperative..

Case Study 8A: Zoe Academy of Skills.

The Academy's initial focus was largely on fostering life skills, skills in the arts and on providing community services. Today, the Academy places greater emphasis on practical, vocational skills training, job placement and on providing support to individuals showing entrepreneurial potential. All but one of the courses offered is accredited by the Sector Education and Training Authorities (SETAs), meaning that certificates obtained by students are recognised nationally. This has substantially increased demand for its courses and generated greater community enthusiasm. Students are charged a nominal enrolment fee of R100.

The Academy is funded through programmatic grants from business partners such as Flash Mobile Cash, discretionary grants from SETAs and payments from old alumni (once employed, they are encouraged to repay 25% of the cost of the training they received.)

Approximately 300 individuals passed through the Academy found permanent employment. Zoe Academy aims to eventually train all other marginalised and previously disadvantaged individuals in Delft and the surrounding communities and to assist in finding them jobs.

In 2009 Zoe Academy approached the Provincial Government of the Western Cape (PGWC) for permission to use a building in Delft which had been vacant for 7 years. Having been left vacant for a long period, it had been extensively vandalised. To support the Academy, PGWC granted it a 10-year renewable lease on the 4,200 square meter premises at the nominal rental of R150 per month and in January 2010 the clean-up and renovations began. With the help of 200 volunteers the site was cleaned, and unemployed members of the community were hired to carry out renovations. These were completed in 35 days at a cost of just under R0.5m – as opposed to the estimated R3.5m for the account of the Province. Through this collaboration, the Province was able to provide longer term assistance to a community and faith-based initiative at minimal cost to its Social Development budget.

Case Study 8B: Flash Savings and Credit Cooperative

Starting in 2004, using a GSM (Global System for Mobile Communications) network-based platform, Take It Eezi Pty (Ltd) began marketing a mobile banking and vending system called Flash Mobile Cash to home shops in Delft –as well as elsewhere in South Africa. Such systems had already been successfully introduced in a few other African nations, as well as in a number of Latin American and Asian countries. The exponential rise in cell phone ownership and use in South Africa over the past decade has opened up substantial opportunities in the area of mobile communication services. Given that a high percentage of the population uses basic mobile services with entry-level cell phones, more recent platforms such as General Packet Radio Service/Wireless Application Protocol (GPRS/WAP) are inappropriate here – hence the choice of an older Global System for Mobile Communication (GSM) platform.

Flash Mobile Cash is marketed to home shops to enable them to:

- Become banking agents for Flash Mobile Cash, converting cash into virtual money and vice versa (service charges paid by end users are shared between Flash Mobile Cash and the home shop owners),
- Sell airtime vouchers for several different mobile networks (about 5% commission),
- Sell electricity recharge vouchers for Municipal pre-paid meters (2% commission), and
- Sell insurance policies such as funeral and house cover (limited at present).

Before home shops were equipped with this platform, members of the community would have to travel to major supermarket chain outlets or petrol station forecourts on the periphery of their suburb to purchase their mobile phone and electricity recharge vouchers. The distribution was captured by large businesses and therefore did not remain to circulate within the community. Also, individuals equipped with a Flash SIM card would be able to sell vouchers directly from their homes in the community, many of whom would be mothers or grandmothers who stayed at home to care for children.

To date, Take It Eezi has installed close to 45,000 of its terminals in home shops across South Africa, and has supplied approximately 24,000 Flash SIM cards to individuals enabling them to sell vouchers using their mobile phones. As all recent SIM cards issued by the Cell C mobile network have the necessary technology built in to connect to Flash Cash. The number of individuals capable of generating income from voucher sales is now greater than 24,000 - but no data is currently available on the number of mobile phones being actively used for this purpose. Pastor George estimates that 55% of Flash Cash users are women and 45% men. Take It

Eezi/Flash Cash is currently compiling data on the demographic breakdown of users, as well as the local/regional split.

In June 2008 Pastor Charles and Delecia George, Peter Berry (owner of Take It Eezi and part owner of Flash Mobile Cash) and nine other individuals formed the Flash Savings and Credit Primary Cooperative Limited (Flash Coop) – creating a model of private sector-civil society enterprise collaboration. The coop’s constitution states its objectives as promoting the economic welfare of its members, in particular by:

- encouraging saving by the issuance of shares and acceptance of deposits from its members - on which a reasonable dividend or rate of interest will be received,
- making loans to members for productive and provident purposes,
- educating members in the management and control of money and fostering an understanding of the economic framework within which the cooperative operates,
- developing self-reliance, responsibility and honesty among members, and
- promoting interest in community development.

In addition to being able to access loans from the coop to grow their businesses and receiving a share of the income generated by such loans, home shop members have also benefited from bulk prices on bread and milk negotiated with wholesalers through the coop.

Membership of the Delft-based coop now stands at just under 3,700, and Pastor George estimates that it extends in the region of R5m in short term trading loans to members per month. In terms of direct job creation, the Delft coop currently employs 4 people – soon to be increased to six. As there are plans to create Flash Coops in Johannesburg, Durban, East London and Kimberly, Pastor George anticipates that more jobs (about 6 per coop) will be created.

The original constitution limited membership in the cooperative to “The Take It Eezi vendors, members (holders of a Flash Subscriber Identity Module (SIM) card) and their families”. Membership limitation to individuals who are customers of two related privately-owned commercial enterprises was identified as problematic by the Reserve Bank of South Africa when Flash Coop applied for a banking licence in order to be able to extend its services to all members of the community – the granting of which is still under consideration.

According to Pastor Charles George, the membership clause in the constitution has since been amended to “home shop owners and their families”. The revised definition still means that all home shops in South Africa can join. This has significant implications in term of the potential scale of the undertaking, and consequently of the capacity required to successfully manage it.

Flash Coop has obtained an R2m grant to assist with roll-out of new branches across the country from the South African Micro-Finance Apex Fund (SAMAF) – a governmental wholesale funding institution which makes finance available to/through cooperative financial and micro-finance institutions. Other than obtaining further funding for this expansion, two challenges that are likely to need addressing are:

- Acquiring the requisite skilled personnel under a cooperative structure which, by virtue of its egalitarian ethos, often results in limited scope for matching open-market remuneration levels.
- To make the most effective use of the skills available, establishing an umbrella structure which encompasses all the local cooperatives formed and provides them with support and mentoring.

Pastor Charles George identified the following areas in which there was a need for continued state-civil society dialogue and collaboration to resolve hurdles:

- Pre-paid municipal electricity voucher distribution. The terms under which the City of Cape Town enters into distribution agreements with third parties prohibits them from charging more than face value for vouchers. Certain Flash Cash-equipped home shops had introduced an extra charge for selling vouchers outside normal business hours – essentially late at night. This having come to the Municipality’s attention, Flash Cash vendors were disconnected from the distribution system. Pastor George approached the office of the Premier of the Western Cape on the matter, explaining that most members of the community were happy to pay a bit extra after-hours as it provided convenience and travel time/cost savings. The Premier felt the market should be allowed to establish the fairness of supplementary after-hours service charges and arranged for Flash Cash vendors to be reconnected.

Flash Coop also tendered directly for a contract to distribute municipal electricity vouchers – at present its members distribute under a bulk contract held by another entity. Such a contract would mean that home shop vendors would earn double the commission they obtain presently (4% instead of 2%).

According to Pastor George, the contract was awarded by open tender to a German company which offered the best price. He feels that there is a need to review tender criteria to better reflect the socio-economic benefits contained in bids submitted by social economy enterprises such as Flash Coop.

- Enhancement of the enabling environment for community-based social enterprise. Pastor George feels that whilst certain departments and/or organs of government – such as SAMAF or the Western Cape Department of Economic Development and Tourism – were strongly supportive of Flash Coop, others appeared to mistrust it and consequently create barriers to its expansion.

Pastor George explains that the coop both understands and accepts the state's role as regulator, and that it looks to government for guidance on legal and governance issues. He feels, however, that greater government collaboration is needed if such initiatives as those established in the Delft community are to be created and sustained at scale across the country.

SALIENT POINTS:

- The case study of Zoe Academy and Flash Coop proves that SSEOs are particularly suitable for job creation in very poor communities.
- Zoe Academy focussed on skills development for employment creation
- The Western Cape Provincial government intervened and gave the Academy an old build and renovated it.
- Flash mobile cash enabled shops to become banking agents and sell a variety of vouchers.
- Flash Cash installed 45,000 terminals country and 24,000 flash SIM cards enable the owners to sell vouchers using their phones. The gender distribution is 55% women and 45% men.
- Flash Savings and Credit Primary Coop Ltd (Flash Coop) was formed and loans were made available for businesses to up-scale – creating more jobs in the process.
- The new branches of Flash Coop that will be set up right throughout South Africa will create more jobs.
- How policy was changed: Flash Coop vendors sold electricity vouchers at a higher price after hours and were disconnected. Then Pastor George met with the Premier of the province and because this was deemed a market-related issue, the policy changed and the vendors were connected again.
- Procurement criteria sometimes favour international businesses instead of local business.
- Policy implementation with some departments still remain a problem