

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**DUE TO PARLIAMENT: 28 OCTOBER 2022**

**“3605. Mr H C C Krüger (DA) to ask the Minister of Small Business Development:**

**Whether she has found that the current co-operative business model used by her department has been successful in the creation of jobs; if not, what strategy will she implement to ensure that the specified model works; if so, what is the total number of jobs that were created by co-operatives using the model in the 6th Parliament? NW4420E**

**REPLY: have been advised by the department as follows:**

The co-operatives development support model that we use has been moderately successful in the creation of jobs. Through the Co-operatives Incentives Scheme (CIS) that was implemented from 2015/16 until 2021/22, the DSBD supported 928 co-operatives to the tune of R380.6 million which resulted in the creation and retention of 5 583 jobs. It is important to note that this performance was anchored on the principles and pillars espoused in the government’s Integrated Strategy on the Development and Promotion of Co-operatives (the Co-operatives Strategy). The Co-operatives Strategy sets out an implementation framework for the Co-operatives Development Policy of 2004 and the Co-operatives Act, No. 14 of 2005, as amended. It also ensures that government, through the utilisation of various partnership models, engages in joint initiatives with all relevant stakeholders, to promote strong, viable, self-reliant, autonomous, and self-sustaining the co-operatives movement in the country.

Our two implementing agencies, namely the Small Enterprise Development Agency (Seda) and Small Enterprise Finance Agency (**sefa**), also played a pivotal role in the development of co-operatives in the country. Agencies’ interventions are also based on the pillars of the abovementioned Co-operatives Strategy. Through the provision of pre and post formation training as well as business skills training, Seda has supported 3 057 co-operatives, which resulted in the improvement of the co-operatives’ performance in respect of growth as well as job creation and retention. In respect of funding support, **sefa** supported 49 co-operatives to the value of R37.5 million, which resulted in the creation and retention of 510 jobs.

While the Co-operatives Strategy has made a marked contribution to the growth and development of co-operatives in the country, it is apparent that additional measures must be taken to improve the aforesaid contribution. Chief among these measures is the intensification of market access efforts for co-operatives products and services in both the public and private sectors. This will ensure that co-operatives are able to increase their assets base as well as have healthier income statements and balance sheets.

**STELLA NDABENI-ABRAHAMS**

**MINISTER: SMALL BUSINESS DEVELOPMENT**