

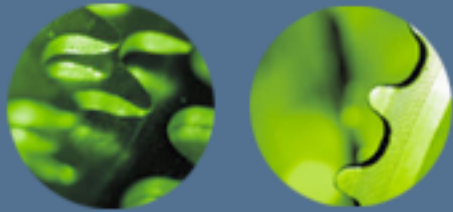


South African Institute for Industrial Engineers

A close-up photograph of a metallic gear, likely made of steel or aluminum, showing its teeth and the fine texture of the metal. The gear is set against a blurred blue background. The lighting highlights the metallic sheen and the precision of the gear's design.

IE in the Public Services: Contributing towards the ASGISA Objectives

Dr Antonie van Rensburg, Department of Industrial and Systems Engineering, University of Pretoria, antoniej@up.ac.za



ASGISA Program

- The ASGISA program objectives speak of halving poverty and unemployment by 2014.
- Government believes that this is not an unrealistic expectation given the steady improvement in the performance on job creation capacity of the economy.
- *Despite this success unemployment remains high at over 26%.* Government has then set certain targets to ensure that it meets the social objectives adequately; these are, below 15% unemployment and halving poverty by 2014.
- The target set to achieve this is 5% annual economic growth rate, up to 2014.
- The government is also realistic about binding constraints that could frustrate the targets it has set and believes that certain economic imbalances need to be effectively encountered before the ASGISA program objectives are adequately met.





To Think about:

- “Take no action and the people themselves are transformed.....Engage in no activity and the people themselves become prosperous....The more laws and orders are made prominent, the more thieves and robbers there will be....”





Introduction

ECONOMIC DEVELOPMENT MODEL

**REDUCE POVERTY AND
STIMULATE ECONOMIC GROWTH
IN THE
SECOND ECONOMY**

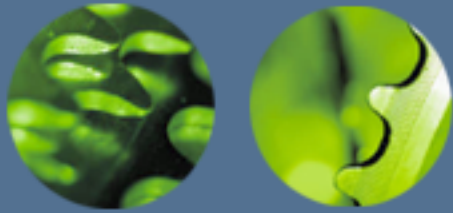




Content

- **Poverty Reduction Interventions**
- **Historical Overview of SA Cooperatives**
- **The typical IE approach**
- **Economic model for community development**
- **Building capacity for poverty reduction**
- **Measuring the impact of the model**
- **Lessons learned from implementations**
- **Conclusion**





Poverty Reduction Interventions



“Almost two-thirds of our country still face poverty. Many of our people continue to live in communities that are not safe.”
President Thabo Mbeki



...minority rule, ... people are unemployed. ... Violence ... our population ... communities”
February 2004



the dti

Department:
Trade and Industry
REPUBLIC OF SOUTH AFRICA



**Department
of Social Development**

10 000 000/40 000 000

samaf
an micro-finance apex fund





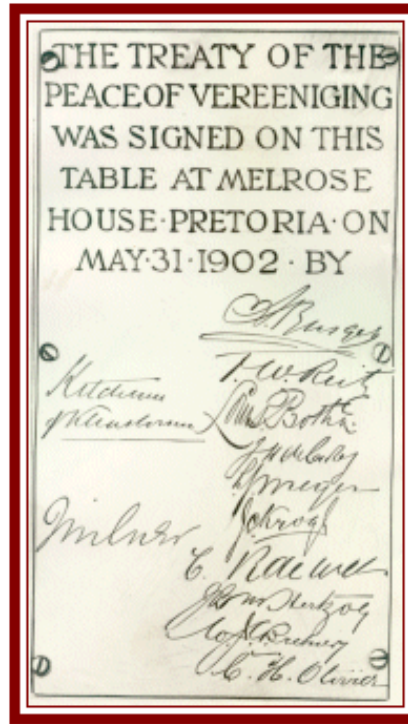
Historical Overview of SA Cooperatives



A Milner



HH Kitchener



CR De Wet



JBM Herzog



OLD MUTUAL



Sanlam

Thinking ahead in financial services








fresh eggs in the morning and a fresh new day

it's what i eat and what i do™

Trusted. For over 50 years, we have sought the most wholesome, quality ingredients to make your favourite McDonald's Egg McMuffin McMeal™. Exceeding safety standard requirements, we also conduct on-going tests to ensure consistent taste and quality. So you can trust any McDonald's breakfast offering, anywhere, any time.




fresh eggs in the morning and a fresh new day



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ROE

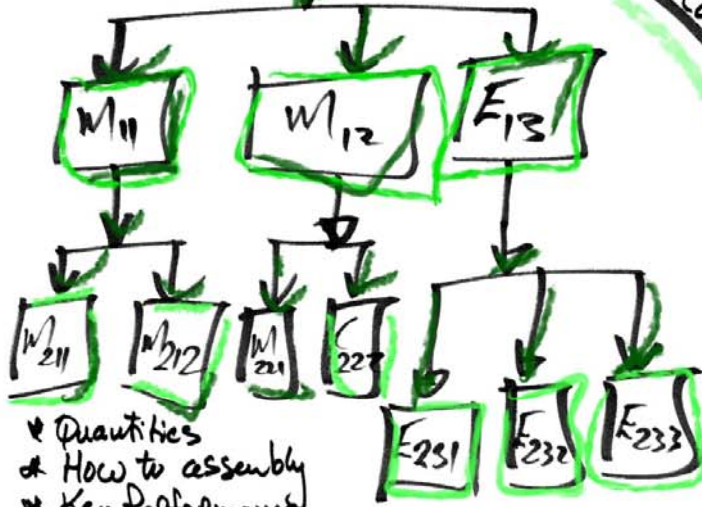
Activity

Output = Selling Benefit

Product/Service offering

"An Event can be material, information or customer"

Bill of Events



- Quantities
- How to assembly
- Key Performance Indicators (KPI's)

can be of type

can be of type

can be of type

Make to Stock

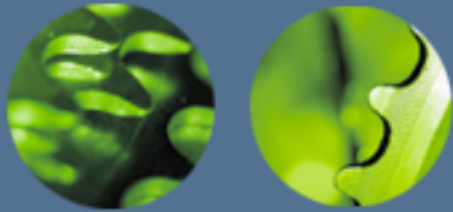


Assemble to order



Make to order





Economic model for community development



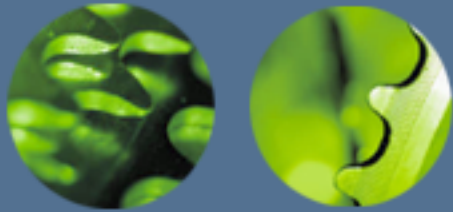
The aim of the model is to have an impact on the socio-economic activities of a community

“The experience of all peoples is that their freedom remains fragile and their rights empty shells unless they bring real improvements to the lives of ordinary people.”
(President Nelson Mandela, Durban, 1 July 1998)



Achieving greater **self-reliance** for the individual
Improve local enterprise **opportunities**
Attaining self-generated **sustainable** growth
Maximise community resources
Retain and re-circulate **resources** in the community





Economic development model

Trading Storehouses

Services,
education, housing,
health, finance, agriculture,
security, recreation, transport, wholesale

Eco-Community

Eco-Community Flows

Community Needs

Business Development

Community Comm.

Collaboration

Community Driven, Co-Operative based,
Interdependance, Freedom of choice





Cycle of Economic Development

Health

**Basic Needs
& Services**

Education

Co-operative

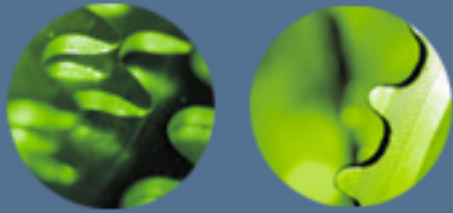
*Socio-demographic
fit to
interventions*

**Business
Development**

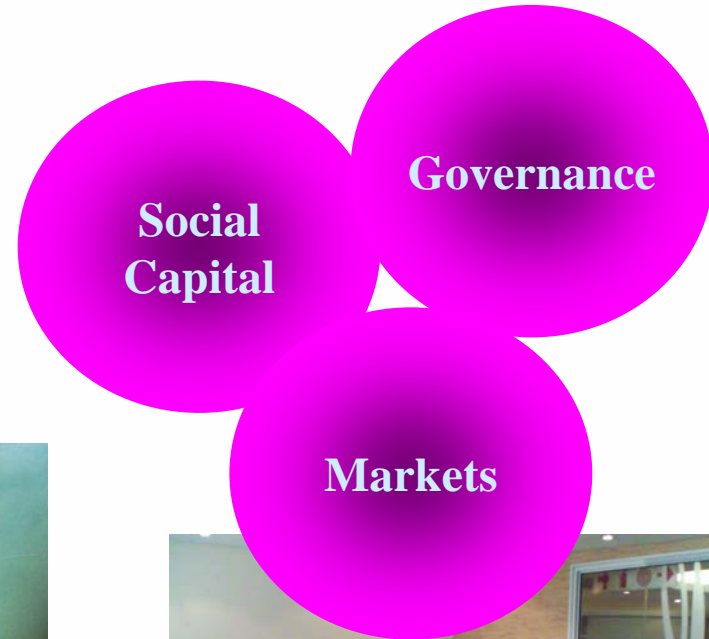
**Wealth
Creation**

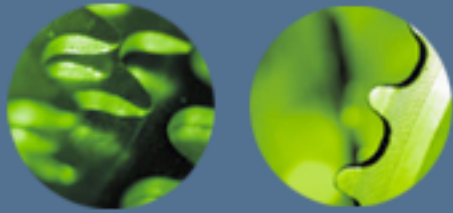
**Infrastructure
Development**





Building capacity for poverty reduction





Building capacity for poverty

- Community organisation and marketing
- Community Ownership
- Cooperating group formation
- Savings mobilisation
- Leader targeting and identification

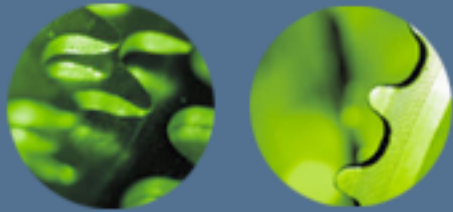
- Financial literacy and business development
- Building capacity for credit to grow the business
- Creation/identification of markets

- Introduction to corporate governance
- Register legal entity
- Appointment of management and staff
- Deployment of operational and regulatory systems
- Governance training

Governance

SUSTAINABILITY

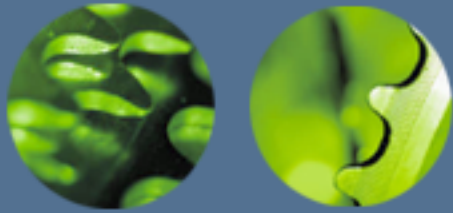




Lessons Learned

- Sustainability
- Levels of capacity
- Governance
- Limited linkages
- Good corporate citizens
- Socio-demographical differences
- FMCG source of business activity
- Training
- Growth of the cooperative – marketing of benefits
- Behavioural attitude of membership is so critical



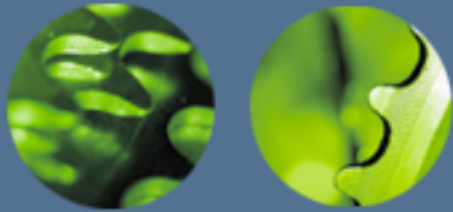


Conclusion



- Extreme poverty
- Increasing the social welfare burden
- Economic development model
- Key for wealth creation
- Cooperative structure forms the corner stone for economic development in these poor communities





Reality Check !

- Hand-over of the first pilot (R50 000.00)
- Hand-over of POC (R500 000.00)
- Hand-over of SAMAF Ops (R450 mil)





To Think about:

道法自然

“Take no action and the people themselves are transformed.....Engage in no activity and the people themselves become prosperous....The more laws and orders are made prominent, the more thieves and robbers there will be....”

Lao Tzu's "Tao Te Ching" 600 B.C.





Questions ?

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Thank You
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