

ENTREPRENEURSHIP AND POVERTY ALLEVIATION IN SOUTH AFRICA

By

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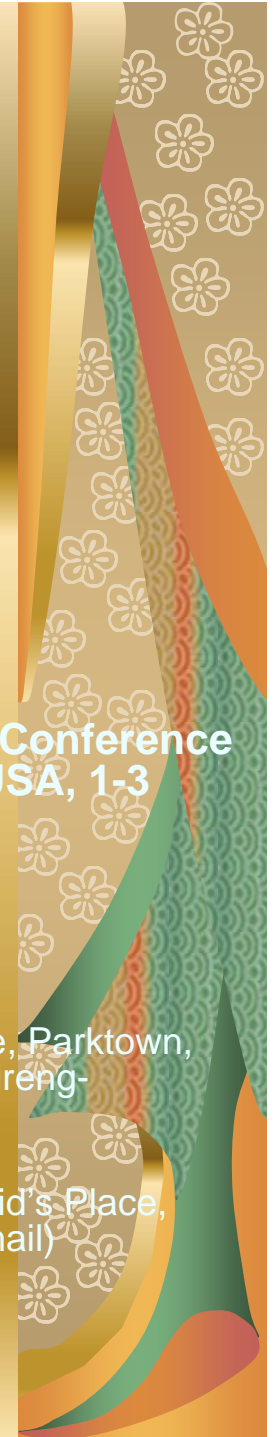
And

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**Paper presented at the Business Solutions for Alleviating Poverty (BSAP) Conference
of the Social Enterprise Initiative, Harvard Business School, Boston, USA, 1-3
December 2005.**

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INTRODUCTION

The argument

- (i) Positive correlation between entrepreneurship and poverty (necessity entrepreneurship).
- (ii) Positive correlation between entrepreneurship and economic growth (opportunity entrepreneurs).
- (iii) Need to develop necessity entrepreneurs into opportunity entrepreneurs.
- (iv) Mutually beneficial engagement of business, the BOP sector on commercial basis.
- (v) The mutual benefits?
 - Entrepreneurial asset transmission
 - Innovation, cost reduction and increased revenue
- (vi) Entrepreneurial assets (synonymous with livelihood assets) lead to poverty reduction
- (vii) Implications? Commercial approaches to poverty alleviation can be effective and sustainable.



11.2 Entrepreneurial asset transmission and poverty alleviation

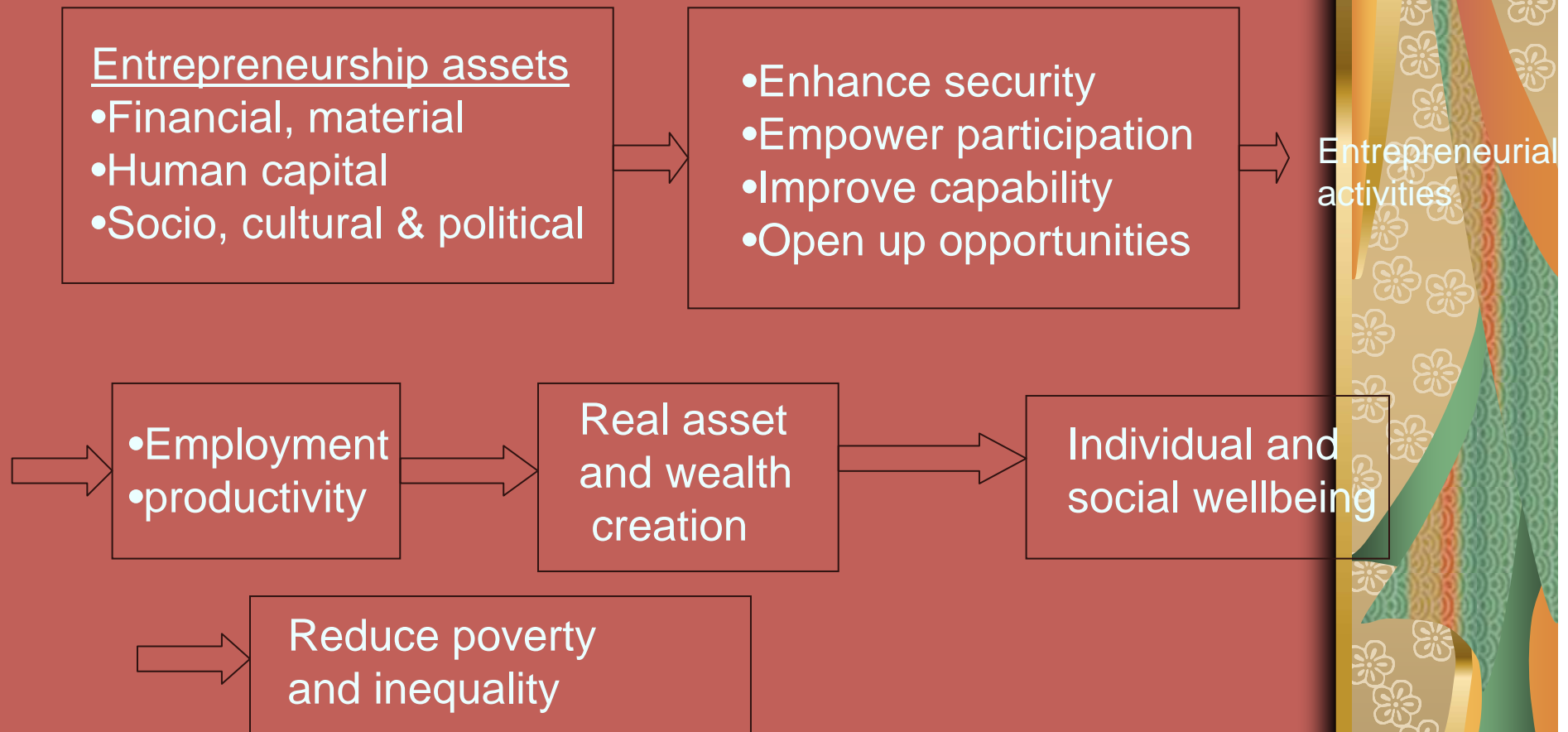


Table 2: population by poverty status, location and residence type, 2000

	Non poor	Poor	Ultra poor	Total
Rural	9 106 821	5 630 459	6 235 682	20 972 692
Urban informal	2 701 612	1 185 530	898 880	4 786 022
Urban formal	16 500 00	2 397 533	1 639 947	20 537 480
Total	28 308 433	9 213 522	8 774 509	46 296 464
Rural	32.2%	61.1%	71.1%	45.3%
Urban informal	9.5%	12.9%	10.2%	10.3%
Urban formal	5.3%	26.0%	18.7%	44.4%
Total	100%	100%	100%	100%

Source: Van der Berg, 2003

iii.4 BEE policy and poverty alleviation

- Sectoral charters
- Business responses



Case Studies

■ Anglo American's "Zimele" Program

- Anglo America Corporation is a conglomerate involved in various sectors of the economy

■ SA Breweries(SAB)

- SAB is a beer manufacturer

■ "Mzansi" Product of Banking Sector

- Five retail banks in South Africa involved

■ All activities operate on commercial basis



Table 15 – Summary of Case Studies: Asset Transmission and Benefits

Activity/Scheme	Asset/Capital Transmitted							Benefits to Entrepreneur				Benefits to the Business			Benefit to Community	Equity	Efficiency
	Financial	Human	Natural	Social	Cultural	Political	Opportunity	Empowerment	Security	Capability	Innovation	Revenue	Cost Reduction	Creation			
Anglo American																	
"Zimele"																	
<i>Procument</i>	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X
<i>Khula Mining Fund</i>	X	X	X				X	X	X	X	X	X	X	X	X	X	X
<i>Venture Capital</i>	X	X					X	X	X	X	X	X	X	X	X	X	X
South African																	
Breweries																	
<i>Procument</i>	X	X		X	X	X	X	X	X	X	X	X	X	X	X	X	X
<i>Retailers</i>	X	X		X	X	X	X	X	X	X	X	X	X	X	X	X	X
<i>Taverner Training Owner Driver Scheme</i>	X	X		X	X	X	X	X	X	X	X	X	X	X	X	X	X
<i>Barley Farmers</i>	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
<i>Distribution</i>	X	X		X	X	X	X	X	X	X	X	X	X	X	X	X	X
South African Banking																	
Sector																	
<i>"Mzansi Product</i>	X	X		X	X	X	X		X		X	X	X	X	X	X	X