



## STATEMENT ON JOZI@WORK

JULY 31<sup>ST</sup> 2014

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Prepared by :  
Office of the Executive Mayor



a world class African city

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## CITY OF JOHANNESBURG

### **SPEAKER'S NOTES FOR CLR MPHO PARKS TAU, EXECUTIVE MAYOR OF JOHANNESBURG MEDIA BRIEFING ON THE JOZI@WORK INITIATIVE**

31 July 2014

Johannesburg is a “City at Work”. This was the recurring theme of our State of the City Address earlier this year. Today, we are adding substance to this approach with the announcement of a ground-breaking initiative to bring unemployed and marginalised communities into the mainstream of economic opportunities.

**Programme director, City Manager Mr Trevor Fowler; Chief Operations Officer Mr Gerald Dumas; Chief Financial Officer Mr Reggie Boqo; Senior Officials of the City; members of the media, ladies and gentlemen – Good Afternoon.**

Johannesburg was recently rated by the Economist Intelligence Unit, as the “most competitive African City”, where competitiveness is defined by the ability to attract capital, business, talent and visitors.

However, as I indicated in the 2014 State of the City Address, while we have to build on this recognition and ensure that the future economy of Johannesburg remain a significant playing field for global and continental capital, we must confront two primary but inter-related challenges as the urban government of the country's leading metropolis.

One of these is the expectation that we progressively deliver quality services according to the highest standards demanded by our residents, maintaining and improving service standards, and service quality in ways which account for the complexities and opportunities to be found across often sharply contrasting neighbourhoods and communities

Of equal importance, is the second challenge – that of changing the socio-economic fortunes of the majority of our residents in a society which is characterized by shocking and unsustainable levels of inequality. The 2011 Census found over 800 000 work-seeking adults within Johannesburg failing to secure a livelihood for themselves. Among those above age 15 and under age 35, 44 % are not in employment, education or training. This group alone numbers almost 800 00.

Today we are announcing that we are addressing both these challenges with a bold new programme known as Jozi@work. Through this initiative, we will see an estimated 1 750 new and existing cooperatives and enterprises at community level take over the responsibilities of service delivery across the City. In the first year of the programme, it will support an estimated 12 500 permanent livelihoods, with triple that amount projected for the next phase as we ramp up the amount of City spending to be channeled through the programme.

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**Programme director,**

Jozi@work will change the way the city does business in a fundamental way. It will create thousands of new neighbourhood cooperatives and micro-enterprises, hungry for entry-level workers. They will be delivering services across the entire spectrum of the City's current activities, including the separation and recycling of waste that arrive at our dump sites; providing food to our urban nutrition programmes; desludging chemical toilets; resurfacing and maintaining our roads and providing frontline support to our water and power infrastructure.

Our residents will no longer only be customers and recipients of city services; they will also be suppliers of these services. It will mean better value for money paid to the City through rates and service charges, and receiving faster, more attentive service in return.

This developmental model of service delivery, will continue to expand in size as well as areas covered. Later this year, we will add back-office support to improve the functioning of city services and ensure that a 10% slice of all maintenance work and 5% of our capital construction, are allocated to these emerging service providers.

We have developed a new supply-chain process in consultation with the National Treasury. According to this system, the City will source community-based enterprises and cooperatives through a network of regional bidders' briefings – also known as regional Jozi@work forums.

**Ladies and gentlemen,**

We are taking the traditional approach to Small Medium and Micro Enterprises (SMME) development to a whole new level. Our focus is on small, very small and micro-concerns – in many instances a small group of friends or neighbours – who can pitch for City business in terms of a simplified and streamlined process.

We want to spread the net of participating enterprises as widely as possible – reaching the large number of our residents who are looking for opportunities to earn an income, by doing an honest day's work.

To manage this process, we are currently procuring the services of "Capability Support Agents", who will provide professional oversight and mentoring, to ensure quality standards are adhered to. They will also ensure that the new army of micro-service providers is able to purchase the required raw material and rent the necessary equipment. They will then recover the costs from monthly contract payments provided by the city, as the milestones are being met.

Through this system, we are lowering the barrier of entry to participate in the economy to both the poorer and middle class residents of Johannesburg.

**Ladies and gentlemen,**

A new Community Innovation Fund linked to this programme, will come on stream later in the year. Through this initiative, we will give the new regional forums the

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opportunities to propose locally-led projects which fit the Jozi@work objectives, but not funded under the line item budgets of the City's departments and municipal agencies.

The first regional forums are planned to commence in the first week of September, following our extensive public education programme that will take place during August.

Longer-term support for the new companies and cooperatives will also include capital financing, advisory services, and training on how to run their businesses effectively. Small entrepreneurs who participate in these training programmes should, within a short period of time, be able to do business with other public sector institutions and the private sector.

To facilitate these programmes, the City will work with a range of departments and agencies at Gauteng provincial and national level, that specialise in support for small and medium size enterprises.

In addition, **programme director**, we will, in the next few weeks, make further announcements on the City's plans to build a comprehensive apprenticeship programme. Workers who acquire on-the-job training through Jozi@work, will be able to build their skills levels even further, through the apprenticeship system. This will include digital learning at recreation centres and libraries across the City, including after hours and over weekends. At the completion of training, a trade certificate will be issued and an opportunity to take newly attained skills further be made possible.

**Programme director,**

Jozi@work also brings numerous benefits for residents and neighbourhoods, who are dependent on the quality of service delivery. Service delivery will, in future, be much more localised. This will result in higher degrees of efficiency, shorter turnaround times and improved levels of accountability. Both high-income and poor communities will, thus, benefit from the introduction of the system.

Enabling new and small ventures to enter the economic system in a meaningful way, will make an immediate and measurable impact, on the unemployment rate in the city. Money in the hands of workers and their families, will benefit the retail and services sectors, create a recurring cycle of growth and productive economic activity. Thus, we are also building value chains that stretch across both deprived and prosperous communities who contribute to the creation of a new, and more inclusive Johannesburg.

Working together with all stakeholders, Johannesburg can remake and shape its future to the residents' heart's desire. With all hands are on the deck, the path to a sustainable, livable and resilient City, can be achieved. Jozi@work is an important tool to practically showcase ***that Joburg is a caring city for its people***. We look forward to updating you as we take this exciting, and admittedly difficult path towards a new, more prosperous, more equitable, better serviced Johannesburg.

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I thank you

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