Abstract

This thesis is about the quest to build effective strategies to support the development of enterprise on the margins of the economy, to create jobs and reduce poverty. A core part of this challenge includes grappling with the role of markets in development, and of markets as a critical part of the context in which enterprise development in rural and peri-urban areas can either provide a path out of poverty - or instead serve to lock people into poverty.

The thesis explores these issues by tracking the experience of the Mineworkers Development Agency (MDA) as it attempted to grapple with this challenge. MDA is the development wing of South Africa’s National Union of Mineworkers (NUM), and was set up to create jobs and support enterprise development for communities affected by the loss of jobs on the mines. The thesis covers a fourteen-year period in MDA’s history, from its inception in 1988 until 2002. It tracks the learning process across several phases in the development of MDA’s approach. These included the development of worker co-operatives, the establishment of business service centres, value-chain work in the craft sector, and the commercialization of a juice product from the indigenous marula berry.

In the process, MDA engaged with an emergent paradigm in the development sector called ‘Making Markets Work for the Poor’. Can markets really be made to work for the poor? Or even just made to work ‘better’ for the poor? Or is the process of inclusion in markets inexorably and inevitably one of making the poor work for markets?

The thesis explores these issues in the context of MDA’s experience, locating this within a wider set of theoretical concerns over the role of markets in society, and the ways in which societies have protected themselves from the negative impacts of the development of market economies. It draws on wider political economy approaches to argue that markets are institutions that are socially constructed, and explores what scope there might therefore be to construct them differently.

While recognising the importance of social protection, the thesis argues that there is a need to go beyond defensive strategies aimed at protecting society from markets, to identify new terms of engagement within markets to shape markets, and to harness their wealth-creating potential in ways that have different distributional consequences, as part of a long-term agenda of eradicating poverty.

Key Words: markets; market development; small business development; social protection; Mineworkers Development Agency; National Union of Mineworkers; co-operatives; micro-enterprise; informal economy; business service centres; business development services; ‘making markets work for the poor’; MMW4P; marula; non-timber forest products; value-chain; craft; inequality.