

Keeping Money in the Community

"Shabalala Pre-Cast Cement Products" unit was established to create employment and promote sustainable small business development. With support from Skillshare International, local government and the Department of Water Affairs and Forestry, a successful fundraising campaign secured money from the National Development Agency to implement the project. Skillshare International placed development worker Gerard Fagan at the centre in April 2006 to fundraise and implement job creation projects.



The project operates within Shabalala Community Development Centre. The majority of the local population of 104,000 lives in poverty; an estimated 65% of the potentially economically active people are unemployed. Most households in the area would require upgrading to meet basic living condition standards. As part of the South African government's vision of "a better life for all", the local municipality is implementing a Household Sanitation and Local Housing Programme. Its procurement policies aim to engage disadvantaged individuals in the implementation of the programme.

Material supplies for this type of programme are mainly sourced from established manufacturers in large towns. However, Shabalala Community Development Centre and Skillshare International successfully approached the local government and its service provider to urge them to use locally manufactured products in their programmes. This led to the establishment of "Shabalala Pre-Cast Cement Products", which secured sufficient funding from The National Development Agency to implement the project.

The project currently employs and trains six full-time staff to pilot production. They produce a range of pre-cast cement products for use in low-cost housing such as mortar toilet pedestals, which they can make at a fraction of the cost of similar products offered commercially.



Centre Manager, Mr Mpangane believes the success of the project is due to the strength of the partnership between Shabalala, Skillshare International and the National Development Agency. He says *"the key to us sustaining operations is localising our development projects. By making the materials locally, not only do we create employment, but we keep the money here in the community."*

The project will start full production in July 2007 and expand to 20 employees by April 2008, but Mr Mpangane can already see progress, *"since the partnership began, we have established a board and finance committee which has led to improved project and financial planning. We function better as an organisation now."* He stresses that a key challenge will be to engage local people *"to see the centre's projects as their own"*. This is being addressed through the community elected board and community liaison committee who administer a trust fund, resourced from the centre's activities, to support other community projects. Despite teething problems he is positive about the centre's future, *"in our pilot stage, we had funding gaps which we filled with income from other sources and had to stop operations at some point, but we have learned from this and have made plans to avoid such problems in the future."*

It is estimated that Shabalala's supply to local government programmes will constitute 80% of the market share and will contribute to providing 23,000 households with low cost housing and household sanitation over the next five years.