



JOB CREATION in a small rural town: Bedford, Eastern Cape

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Creating jobs is a major challenge for the state and for provincial governments. The Integrated Sustainable Rural Development Program and the Urban Renewal Program aim to realise these objectives. A SANPAD-funded research project has generated some interesting policy suggestions for these initiatives. The project's initial aim was to examine what it means to people when they are unemployed. However, the project did more than this and combined data collection with attempts to enhance the skills of impoverished women. This has led to the creation of a self help employment creation project which has some interesting implications for government policies. One of the biggest challenges in the area of job creation is how government can best motivate and/or reward bigger companies to initiate and sustain job creation initiatives in small rural towns.

Them bani Handcraft Project (Bedford)

Bedford is a rural community of 2,206 households. It is located 200 km Northeast of Port Elizabeth, Eastern Cape, South Africa. It has a notably high (formal) unemployment rate and many poor people.

The project is unique in that it hired and trained local unemployed women as

front line staff. These women were also trained in a variety of handcrafts from basic garment making, candle making, patchwork as well as rural business skills. The staff or the initiators soon realized that training alone is not sufficient in a small rural town like Bedford, where many women will struggle to make a living on their own, and soon become despondent again. The fieldworkers were encouraged to share the findings of the research with the women and to brainstorm ideas for creating employment. This collaborative research made everybody very aware of the need to create more work opportunities in Bedford. The project collaborators initiated the Them bani Handcraft Project, as a starting point for training and skills development among unemployed women. It led them to talk to bigger private companies to explore the possibility of outsourcing any labour intensive manual work. Sindawonye Granulators, under the auspices of TELKOM, provided the opportunity for the Them bani Handcraft Project to be the first in the world to successfully manually recycle optic cable. Two years later, Sindawonye Granulators challenged other big companies to adopt a small town and contribute to rural job creation and social improvement. They themselves promised to relocate a plastic recycling plant to their Bedford premises.

The Them bani Handcraft project has created employment for more than 90 people in Bedford.

Sustainability



This recycling project is very labour intensive and without the assistance it receives from Sindawonye Granulators it would not be able to sustain itself. However, the company needs to obtain contracts from TELKOM and/or other companies, to recycle waste plastic in order to sustain the project, or else investigate alternatives.. The Nxuba municipal council is very supportive, and has been instrumental during the many phases of the project.

Policy Lessons

The Thembani Handcraft Project is a good example of partnerships that hinge on Private-Community collaborations. Outsourcing labour intensive work to trained, unemployed women has rendered 90 jobs. This in itself makes a huge contribution to urban livelihoods in Bedford. Psychologically, the project has contributed to the increased self esteem of disadvantaged and poor women.

Policy Options:

Not many companies are involved in job creation in rural areas and this should be encouraged by local and provincial governments. Up-scaling the Thembani Handcraft Project to other

areas and sectors of the economy requires security of cash flow, growth and stability. To stimulate this the government could consider:

- rewarding private companies with some tax rebate on their social improvement and job creation initiatives, especially in small rural towns.
- rewarding small businesses for employment creation through some incentive mechanism. This could be on a sliding scale (in terms of number of jobs created and phased over time) with possible additional incentives for companies with low employee turnover.

These conditions can be easily monitored by electronic proof of salary payments and corresponding UIF registration that would not require the expense of a hiring an accountants' services..

This policy brief is based on Lorraine Blom (2002), *Psychological strengths as point of departure: a different way of looking at poverty and unemployment in Bedford, Eastern Cape Province of South Africa*, SANPAD Research Report.