



South Africa Siyasebenza

# Learning Series

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## The Clothing Bank National Expansion Programme Job Creation for Social Change



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*The Jobs Fund is a R9 billion fund established by the South African Government in 2011. It was established to encourage innovation and give greater impetus to initiatives with potential to generate sustainable employment. The Fund aims to catalyze innovation in job creation through structured partnerships with the private and public sectors as well as NPOs by awarding once-off grants to organisations through a competitive process. The Jobs Fund operates on challenge fund principles and aims to incentivise innovation and investment in new business approaches that directly contribute to long term sustainable employment creation.*



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### **Abstract**

This paper presents the results of the summative evaluation of the implementation of the Clothing Bank (TCB) expansion project conducted in June 2018 by ABACUS Advisory on behalf of the Jobs Fund (JF). The JF and TCB entered a strategic partnership in 2014 to generate sustainable employment opportunities through the expansion of the TCB model and footprint to centres across South Africa. Under the JF “Enterprise Development” window the TCB National Expansion project was granted R18 351 894 by the JF with a target to create 718 new permanent jobs, as well as to train 990 beneficiaries. TCB matched this grant with R8 210 000 from the Department of Trade and Industry and the European Commission. Another R37 558 000 was contributed through income generated by the project itself.

TCB created 748 jobs, 30 more jobs than they were contracted to create. TCB also achieved 98% of its training target, with 974 beneficiaries trained between 2014 and 2018.

The evaluation finds that the TCB model was successful in turning individuals into successful business owners and responsible family members.

programme, which exposes unemployed women to the practical and theoretical aspects of running a small-scale trading business, while providing support and guidance along the way. The trading programme provides selected women two years of practical business and life skills training to trade in small retail clothing businesses in their local communities. TCB sources excess clothing from major retailers which is sold at below cost price to participants.

Over time, the programme offerings of TCB expanded to capitalise on opportunities that arose in additional product lines and aligned to the needs of a broader target beneficiary base.

The organisation experimented with micro-franchise models namely the Amazi programme and Eezi Street Pizza programme.

The Amazi micro-franchise programme targeted young women and provided skills for them to become Nail Technicians and launch their own salons under the Amazi brand within their local area. The micro franchise component experienced challenges and the programme was re-designed as a train-for-employment model where the young women developed the skills and qualifications needed to secure placement in a permanent position within a Sorbet or Amazi salon.

The Eezi Street Pizza micro-franchise programme model was based on providing franchisees with an opportunity to earn an income of between R5000-R8000 per month through selling mobile pizza from an oven-fitted Tuk Tuk (scooter). However, the requirements for becoming a franchisee were based on needing to have a scooter driver's license, skills to manage and start their own business, motivation as well as sufficient cash resources. TCB discovered that individuals meeting these requirements were looking to earn at least R15 000 per month. This made it difficult to find suitable franchisees. The project was closed at the start of quarter one of 2016 because of limited job creation potential.

## **1. Introduction**

The Clothing Bank (TCB) is a social enterprise that was established to empower previously disadvantaged and unemployed South African women to become confident, competent and independent business owners. Founded in 2010 in Cape Town, the organisation set out to establish a platform for unemployed women (95% of them mothers) to become financially and socially independent through becoming self-employed business people. The founding programme of the enterprise was the TCB trading

Through its experience in implementing the trading model, TCB recognised the negative and reinforcing impact of unemployed men on cycles of poverty<sup>1</sup>. The addition of Clicks and Shoprite as retail partners provided the perfect avenue for the introduction of the Appliance Bank (TAB) programme focused on men to contribute to breaking poverty cycles in the community. Similar to the TCB trading programme, the TAB programme provided beneficiaries with a platform to learn the skills needed to become financially independent, while providing access to resources required to operate a small-scale trading business, in this case, repairing and selling electrical appliances.

Figure 1 provides an overview of the project areas of the TCB programme during the Jobs Fund grant cycle.

This paper presents the results of the evaluation done by ABACUS Advisory of the TCB Jobs Fund collaboration. The evaluation was completed in August 2018.

It is worth noting that the model was recognised for social innovation by the Skoll Foundation.

Section 2 describes the TCB's Theory of Change, Section 3 discusses the purpose and objectives of the evaluation while sections 4, 5, 6 and 7 present the methodology, the results, the

recommendations and the conclusions respectively.

## 2. The TCB Theory of Change

TCB's theory of change is developed around the notion that individuals and families need to take responsibility for their journey out of poverty. The goal of TCB is to ensure beneficiaries are enabled to eradicate poverty in their lives. TCB acknowledges that this is a highly complex and multi-dimensional societal problem to which there is no quick fix.

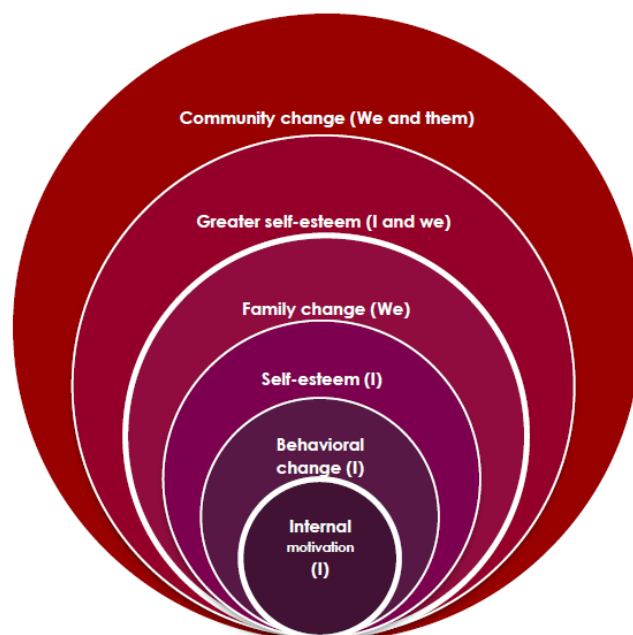
TCB focuses on the individual as the primary mechanism for unlocking potential that ripples out from the individual to their families and their broader communities. The programme beneficiaries are sourced through a careful and rigorous selection process designed to identify motivated beneficiaries who display an internal locus of control. Internal motivation means that beneficiaries believe that they are able to control the choices they make that eventually influence their lives. TCB uses this notion as a starting point for selecting beneficiaries that could be successful in their programmes and seek to provide an environment where selected beneficiaries are able to achieve improvements in self-esteem (Figure 2).

**Figure 1: The Jobs Fund TCB Project Areas**



<sup>1</sup> In economics, the cycle of poverty is the "set of factors or events by which poverty, once started, is likely to continue unless there is outside intervention"

Figure 2: The TCB Theory of Change



Improvements to beneficiary self-esteem are developed through the programme's ability to create "I can" moments for the beneficiaries. These are moments where beneficiaries are able to achieve something that they never thought they would be able to. This journey produces tangible change in individuals within families, who in turn become role models within their communities to create a ripple effect for other families that are affected by poverty.

Another key component of TCB's theory of change is setting beneficiaries up to achieve success through acknowledging where they are on entering the programme. TCB understands that many of their beneficiaries are not entrepreneurs and have never considered self-employment as a solution or option for addressing poverty.

However, TCB looks to create shifts in this mindset by assisting them to start simple trading businesses as a tool to give them the power to generate their own income.

In acknowledging the multi-dimensional nature of poverty and the challenges posed when beneficiaries attempt to overcome this, TCB ensures their interventions focus on the holistic

support and development of beneficiaries through working with the "head", "heart" and "hands" of a beneficiary. While in the programme, beneficiaries are also required to volunteer their service and time to TCB once a week. This is an opportunity for beneficiaries to assist in tasks such as sorting, de-branding and labelling incoming stock. In doing so, beneficiaries are given the platform to participate in a formal working environment, while also keeping them connected to TCB.

### 3. Purpose and Objectives of the Evaluation

The main purpose of the evaluation was to evaluate the performance of the TCB project and its outcomes for the period March 2014 to post-implementation, June 2018 in accordance with the requirements of the Jobs Fund.

The following were the objectives of the evaluation:

1. Ascertain the impact that the project had on the target beneficiaries in relation to the goals

and objectives that were set at the beginning of the project.

2. Assess the efficiency of the project through accounting for quantity, quality and timeliness of inputs and activities as they relate to outcomes produced by the project;
3. Assess the lessons learned from the implementation of the project that can assist in improving selection, design and implementation of future projects, while also informing policy development;
4. Promote accountability and transparency through assessing and disclosing project results.

## 4. Method and Approach

A combination of quantitative and qualitative research methods was used in the evaluation.

### Desk review and tool refinement

A number of project documents were reviewed. The documents included the grant agreement between TCB and the Jobs Fund; Project Audit documents; Year End Review (YER) reports; beneficiary employment contracts; Poverty Stoplight results spreadsheets; Project Implementation and Monitoring Plan (PIMP); quarterly reports to the Jobs Fund; beneficiary retention rates spreadsheet and the TCB final Project Self-Evaluation report.

The desk review process assisted in refining the tools that were utilised in the data collection phase of the summative evaluation, with the intention of ensuring that evaluation tools addressed the evaluation objectives in section 3.

All branches of the TCB project were included in the summative evaluation fieldwork.

### Data collection

Primary qualitative data was collected through face to face interviews with a range of TCB staff members as well as Focus Group Discussions

(FGDs) with beneficiaries of the TCB and TAB programmes.

In addition to the collection of qualitative data, quantitative data that had been collected by TCB on an ongoing basis through their monitoring and reporting systems of the project was analysed. Insights extracted from both qualitative and quantitative data were combined to shape an understanding on the achievement of job creation and training targets set out initially as well as the shifts that had occurred within the life of the project.

### Face to face interviews

In depth face to face interviews were conducted in June at the premises of TCB in Johannesburg and Cape Town. Telephonic interviews were conducted with the Branch Manager and Operations Manager from the East London branch. Other core staff members that were interviewed included the Life Skills Facilitators, the Poverty Stoplight Facilitators, the Financial Skills coaches, and the Poverty Stoplight Chief Enabler.

### Focus group discussions

FGD's were conducted with beneficiaries of the TCB and TAB programmes at the Johannesburg and Cape Town branches. Beneficiaries at the same stage of involvement with the programme were placed in the same focus group to allow for a homogenous group composition.

### The Poverty Stoplight Tool

The Poverty Stoplight (PS) is a mobile application tool that uses visual imaging and colour codes to determine a beneficiary's current state of poverty. The tool uses stoplight colours, photographs, tables, and simple software developed for Android devices to create innovative maps that enable beneficiaries and their families to see and understand the ways in which they are 'poor'.

The tool was used to track progress across 50 indicators in the following six core dimensions of poverty over time:

1. Income and Employment
2. Health and Environment
3. Housing and Infrastructure
4. Education and Culture
5. Organization and Participation
6. Inferiority and Motivation

If a particular indicator is self-assessed by the beneficiary as “very poor” then it will be coded red, if assessed “poor” then it is coded amber and if assessed as “not poor” then it is coded green.

This tool provides the opportunity for TCB to report on the organization’s social impact. The social impact of a project like TCB is a very important measure of how the project is impacting the lives of people in the communities where the project is implemented.



## 5. Results

### Job creation and training results

The TCB was contracted to create 718 new permanent jobs and to train 990 beneficiaries over the life of the project with the Jobs Fund. As at June 2018 (project completion), TCB had

created 748 jobs, 30 jobs more than the contracted target.

An overview of the target and actual results achieved per core project indicator are reflected in Figure 3.

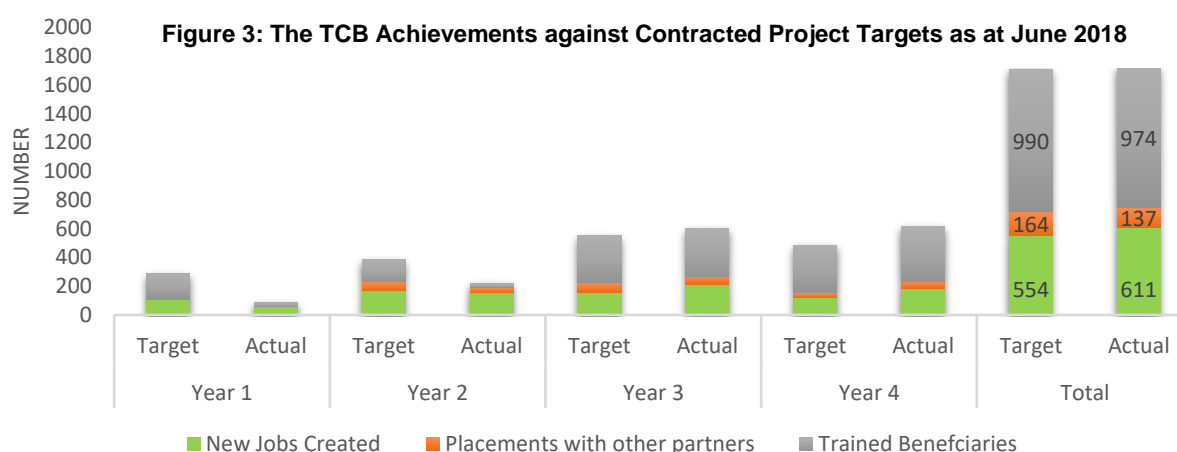
As at June 2018 (post implementation period completion) TCB had met 98% of their contracted training target, reporting 974 beneficiaries trained against a contracted target of 990. The shortfall in trained beneficiaries can be attributed to the strategic decision made by TCB management at the end of 2017, where it was decided that no training would take place during the December/January holidays. As many of the TCB programme beneficiaries are single mothers, TCB management decided that attending training during this period would increase the levels of pressure faced by beneficiaries.

### Job creation profile

The TCB programme beneficiaries are disaggregated by race and gender, with 100% of the new permanent jobs and beneficiaries trained being previously disadvantaged individuals. In terms of the permanent jobs created, 92% are held by women, with 96% of the beneficiaries that have completed training being women.

### Overview of key programme results

As a result of the partnership with the Jobs Fund, TCB have been able to scale their work to increase their geographical reach. Branches are





now located in Cape Town, Paarl, Midrand, Durban and East London, with greater reach and more women benefitting (Table 1).

**Table 1: Number of Women per TCB Branch**

Branch	Number of Women
Cape Town	210
Midrand	193
Durban	154
East London	149
Paarl	54

## Sustainable Change

Poverty Stoplight surveys were conducted with 39 beneficiaries, a year after they had graduated from the programme. These surveys showed that graduates of the programme continued to thrive after leaving the programme, suggesting that they had not regressed into poverty and the change in their lives was sustainable.

The survey results showed that most graduates were running two businesses simultaneously; graduates were exploring new occupations and that many graduates had moved away from toxic or dysfunctional relationships.

Overall, the results of the TCB expansion project have provided a sustainable platform for TCB to continue its work and expand its reach significantly, with centres in three additional cities across the country. The results to date suggest enduring change in the lives of the beneficiaries who are equipped to be self-reliant business operators and significant influencers within their communities, catalysing further change.

## 6. Recommendations

Key recommendations arising from the summative evaluation include:

1. Continue efforts to enhance communication between TCB management, staff and

beneficiaries. In order to maximise the contribution staff and beneficiaries may have, it is recommended that communication protocols continue to be monitored and refreshed as needed.

2. It is recommended that TCB consider ways it can further support beneficiaries in navigating and competing with the prices and specials offered by their retail competitors. This can be done through incorporating training related to competition and pricing.
3. The Poverty Stoplight tool has demonstrated its valuable contribution to the TCB programmes and individuals who participated. However, in order to ensure that the tool is utilised to its full potential, it is recommended that TCB review the current capacity and delivery requirements of PS facilitators relative to the volume of interviews assigned to them, and their additional roles and responsibilities.
4. TCB should extend its thought leadership role and encourage efforts towards a greater base of evidence of what works within the sector and the South African context. By collaborating with key decision-makers and funders, as well as other implementation actors within the sector.

## 7. Conclusions

The TCB National Expansion Project with The Jobs Fund has achieved its key objectives, over-performing in the area of total jobs created, in particular new permanent jobs created, and achieving within 2% of its training targets.

The expansion project has yielded rich insights into the contexts in which the TCB model thrives and its critical enablers for replication. TCB continues to provide a significant contribution towards good practice in developing responsive models for sustainable change and empowerment in complex and challenging environments. The organisation is very well-



resourced in terms of its human, relational and intellectual capacities with a well-designed and holistic model, reflecting features of current best practice in human centred design thinking, innovation systems and sustainable livelihoods development.

The TCB Jobs Fund expansion project has provided insights into interventions that work for women's empowerment in South Africa. It has also demonstrated the importance of measuring impact through the use of the Poverty Stoplight tool. It is desirable that replication models be quickly identified and implemented in communities with high poverty and unemployment levels.

