

RICHARDS BAY MINERALS' ECONOMIC EMPOWERMENT PROGRAMME

ARichards Bay Minerals (RBM) has been operating an economic empowerment programme in greater Richards Bay/Empangeni for more than 16 years. Over the years, this has encompassed:

1. Training and business advice

RBM operated a Small Business Advice Centre between 1986 and 2001, which created over 4000 jobs ranging from spaza shops and shebeens to construction and mini-tourism ventures. It offered a comprehensive information and advice service in English and Zulu and was accredited as a Local Business Service Centre by Ntsika (the SMME arm of the Department of Trade & Industry) in 1995. The centre conducted 11 000 business consultations, assisted 12 600 advice seekers and put 4 500 people through business skills training. An extensive library and resource centre was available to all and a limited amount of on-the-job training was offered. As this function is now being fulfilled by other agencies, RBM is currently concentrating its efforts on other initiatives described below.

2. Empowering informal traders

Trading conditions for local hawkers have improved greatly through several SBAC interventions: conducting 730 hawker group consultations, facilitating communication between formal vendors and the authorities, constructing vendor stalls and market buildings, and producing a training video, 'Better Bus Rank Business'.

South Africa's first on-site community bank for traders was established in Empangeni in joint venture with the African Council for Hawkers and Informal Business (Achib). Located in a shipping container in the heart of the trading area, it provides accessible and affordable financing for hawkers as well as overnight storage facilities.

3. An in-house RBM affirmative procurement programme

The company has adapted purchasing procedures to accommodate disadvantaged small businesses and in 1998 created a special post in its buying department to actively create opportunities for SMMEs to supply goods and services to the company. This involves:

- Sourcing disadvantaged small businesses and helping them establish themselves as viable suppliers to RBM through a process of guidance, assessment and accreditation. The most common goods supplied are tools, motor spares, paint and electrical consumables as well as civil, mechanical and electrical services required for the building and upgrading of offices, rural schools and clinics. A groundbreaking contract with several local black taxi co-operatives for the transportation of RBM shift and overtime staff to and from work has given the volatile local taxi industry an alternate source of income, created 16 new jobs and is facilitating dialogue between the different taxi associations.
- Identifying RBM requirements that could be sourced from this sector, unbundling main supply contracts and nominating sub-contractors, and planning new projects with a view to SMME participation.
- Promoting understanding of RBM procurement procedures and simplifying documentation whilst maintaining accepted business and quality standards.

RBM spent R25 million with this sector last year. As a result disadvantaged entrepreneurs are gaining access to lucrative new markets and are acquiring practical business skills training, enabling them to develop their businesses and create new jobs. At the same time, RBM is establishing sustainable, mutually profitable relationships with the business sector of the future.

4. Linking big and small business

RBM was the driving force behind the establishment of the Business Linkage Centre (BLC) in 1993 and was its major funder until 2001. Involving all the major companies in the region, it matches the requirements of corporate buyers with the products and services of emerging entrepreneurs and facilitates deals in excess of R300 million annually. The BLC is also an accredited Tender Advice Centre and, in 2001, was adjudged the best Tender Advice Centre in South Africa by Ntsika (the SMME arm of the Department of Trade & Industry). The BLC is to be absorbed into a new Business Development Centre of which RBM is a founder and supporter.

5. Promoting economic activity at grassroots level

A complex of rural factory units built by RBM and equipped with electricity enables a variety of rural entrepreneurs - mechanics, welders, hairdressers, auto-electricians and seamstresses - to ply their trades from functional premises. SMMEs are employed to build clinics and schools in rural areas as part of the company's CSI programme and, wherever new structures have been built, jobs have been created, because they are handed over to the government which then appoints new staff to run them. RBM has built 5 complete rural schools, 215 new classrooms, 10 crèches and 5 clinics over the years. Hundreds of rural people are also making a profit from the skills they learn at RBM-assisted adult skills and rural development centres, eg. selling produce from communal gardening clubs, garments from sewing clubs, and baked goods from cookery classes.

6. Promoting entrepreneurship education

With jobs in the formal sector becoming increasingly scarce, RBM promoted entrepreneurship education in schools between 1993 and 2001 through the establishment of the national Entrepreneurship Education Initiative (EEI). The EEI influenced the government's decision to incorporate entrepreneurship training into the national school curriculum, it has equipped hundreds of teachers to start entrepreneurship programmes in their schools, and it has encouraged thousands of learners to start their own businesses so that, when they leave school, they have viable enterprises up and running which can be developed into full-time self-employment.



School-going entrepreneur Desmond Ras, a Grade 12 pupil at Port Natal Skool in Durban, has been running a successful computer supply and maintenance company for the past two years. He is highly recommended by his customers, many of whom are prominent Durban companies. He was one of the winners in the 2001 RBM High Road Schools Entrepreneurship Competition.

The EEI developed a teacher's manual for schools (and a condensed Zulu version for training retrenched adults, marginalised youths, school dropouts and prisoners), it runs an annual forum, it produces a quarterly newsletter, and runs an annual provincial school's competition in conjunction with The Mercury newspaper. RBM handed funding of the EEI over to Sanlam and NBS last year.

SUSTAINABILITY

It is RBM's plan to continue to promote economic empowerment in the community for the lifetime of the mine, so that an ever-increasing number of local people are equipped to be self-supporting or in a position to create new jobs when, at some time in the future, RBM may cease to operate in the area.

Comment by Mrs Joyce Xulu, Secretary of the Mbonambi Factory Units Committee:



Entrepreneurs ply their trades from the rural factory units in Mbonambi.

'The factory units have got the following jobs: panel beating, sewing, hair dressing, co-operative and motor mechanics. They were all started by RBM to support small businesses under the supervision of Peter Morrison and his team. If we were in town we would be paying heavy rent, but since we are in rural area we are paying low rent. The factory units are there to serve the community. The community is also satisfied with the work we perform.'

We are lucky to have big company support one in everything we do which shows progress. RBM is a helpful company in every way. They teach you how to catch a fish. They do not just give you the fish to eat. We as Kwa-Mbonambi community are very proud of RBM.'