South African Workers in Black Economic Empowerment Companies Get Literacy Aid

JOHANNESBURG, South Africa—One of the most successful manufacturers of electrical transformers in Africa sent all 222 of its staff members to adult basic education and literacy classes through a USAID-supported program: South African International Business Linkages (SAIBL).

Tebogo Kenneth Molete, 51, who suffered for many years from poverty and apartheid, is now the business development director of the Desta Power Matla factory. He challenged USAID to offer literacy training to his employees.

SAIBL specializes in training and technical assistance for businesses that are run chiefly by and with historically disadvantaged South Africans.

"USAID through SAIBL arranges training and assistance for developing business plans, obtaining industry standard qualifications and accreditation, and learning how to market," said SAIBL's Business Development Officer Peter Mwanza. "But Mr. Molete's request to organize literacy courses was a first for us. We saw the merit of his concept and supported the training."

Though literacy isn't often associated with workplace training, Molete said "Uplifting the literacy and skills levels of employees builds a business's foundation."

Reverie Zurba, USAID

Kenneth Molete at the Desta Power Matla factory, where employees are receiving literacy training.

"I am passionate about education," said Molete, who grew up in a Soweto home without electricity. As a child, he sold oranges, apples, and peanuts in trains and at stations to help pay for his education. He eventually earned several degrees from the universities of Cape Town and South Africa. He also faced detention without trial as punishment for his political beliefs. "I didn't think I'd live to see age 30," he recalled.

Established in 1953 and restructured in 1999, Desta Power Matla serves 350 clients that range from municipalities and shopping centers to small contractors.

"We don't give businesses a handout and spoonfeed them," Mwanza said. "We want them to maintain their operations after the lifespan of SAIBL, so we give a springboard for clients to invest in their own companies."

Molete said that SAIBL not only helped train his staff and provide computer literacy for management development, but is working with his company to market Desta's line.

"SAIBL helps blacks overcome huge obstacles in finance and education," he said.

Most black economic empowerment companies (BEEs) are caught in a debt trap and regularly "bite the dust," said Molete. He suggested that financing and funding clauses are too restrictive: they need to be tailored to enable BEEs to gain and sustain capital for their operations.

SAIBL is administered in South Africa by Ebony Consulting International, which is managed by the Corporate Council on Africa. SAIBL is USAID's five-year, $4.6 million business linkages program that has, so far, facilitated transactions in South Africa worth more than $141 million. ★

By Reverie Zurba, USAID/South Africa.

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