

EU and South African funded project wins major international award

*The Clothing Bank (TCB), a South African non-profit organisation (NPO) that uses excess stock from large retailers to transform the lives of unemployed mothers trapped in a cycle of poverty, has won the prestigious 2016 **Schwab Foundation's Social Entrepreneur of the Year** award.*

In the six years since its establishment by Tracey Chambers and Tracey Gilmore, TCB has trained 1135 women to establish micro-enterprises. Collectively, these women have generated profits of over R40mil at an average of R4100 per month each.

"We are extremely grateful for the support and encouragement of our major sponsors: the European Union, the Jobs Fund, Old Mutual Foundation and the Industrial Development Corporation and as well as our retail partners Woolworths, Edcon, Pick 'n Pay Clothing, Mr Price and Clicks. The success of our projects, and the difference we are able to make to the lives of so many women and their families would not be possible without their ongoing, generous support. The award from the Schwab Foundation is an acknowledgement of this," said Ms Chambers.

Katherine Milligan, Director and Head of the Schwab Foundation noted that "Social entrepreneurs are crucial to the global conversation about inclusive growth; they are innovators who use market forces and business discipline to provide solutions for local problems and improve the lives of low-income and marginalised people."

EU Ambassador Marcus Cornaro explains, "Following a rigorous selection process The Clothing Bank received EU support. I am delighted that our faith in this initiative has been reinforced by the international recognition from the Schwab Foundation. What is particularly exciting is how this employment creation through entrepreneurship initiative brings together civil society, the private sector and government in its efforts to address unemployment."

Regarding the project, Ms Chambers explained that "Using the Poverty Spotlight Tool's 50 indicators as a measure of poverty, we have seen the women who start on our programme with hardly any poverty indicators in the green, end the programme with around 45 green indicators and only one – living in a high-crime environment – still red" ... "in addition, within one year of joining the programme, their debt levels reduce by 63%, savings increase from very little to an average of R1951 each with 93% of women saving. 73% report a significant influence on their children who are doing better at school. 83% have hope for their children's future and 51% say relationships have improved with many having had the courage to overcome abusive relationships."

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The Clothing Bank

Now operating from six branches across South Africa, The Clothing Bank's two-year Enterprise Development programme uses sophisticated recruitment tools to select candidates who are self-motivated and ready to change their lives.

Clothing donated by the partner retailers is used as the tool for teaching practical business and life skills. The holistic programme includes over 1000 hours of practical training covering modules from money management to business skills to life skills. There is an extensive support system which includes coaching, mentoring and counselling.

Once the women have completed an initial two weeks training, they buy the merchandise from The Clothing Bank at significantly discounted prices and sell the clothing in the informal sector in the townships. The objective is that each woman should earn at least R4000 per month. "We are not just teaching her how to fish but we are also teaching her how to sell her fish," said Ms Chambers.

After two years, the women are able to continue with their clothing enterprise and can choose to buy merchandise from The Clothing Bank; or they can use what they have learned to start other businesses. Several have become franchisees of businesses started under The Clothing Bank's Micro Franchise Accelerator project.

Other projects undertaken by The Clothing Bank include:

- **NPO project** - supplying NPOs with their clothing needs free of charge.
- **Micro Franchise Accelerator project** - development of micro "business in a box" business models with unemployed men and women recruited to become franchisees. The franchisee is provided with all the equipment (loan/grant or rental model) and technical training to start the franchise and then closely monitored and provided with extensive support to ensure they run a sustainable business. Current business models involve early childhood development, beauty and food.
- **Appliance Bank project** - similar to the core Clothing Bank model but involving broken appliances supplied by retail partners. Unemployed men (preferably fathers) are provided with technical skills to repair these appliances; they also receive financial, business and life skills training as well as coaching and mentoring. They repair the appliances and sell them. They are also able to offer repair services as a further business opportunity in their communities.

The Schwab Foundation for Social Entrepreneurship

The Schwab Foundation for Social Entrepreneurship is a not-for-profit, independent and neutral organization, founded in 1998, with the purpose to advance social entrepreneurship and to foster social entrepreneurs as an important catalyst for societal innovation and progress. Working in partnership with the World Economic Forum, the Foundation is under the legal supervision of the Swiss Federal Government and is headquartered in Cologne-Geneva, Switzerland.

Every year, the Schwab Foundation for Social Entrepreneurship – the “sister organisation” of the World Economic Forum - considers thousands of nominations from around the world. This year only 11 organisations, including TCB, were deemed to have met the criteria for the prestigious award.

Social Entrepreneurs meaningfully contribute their expertise and experience to shape global, regional and industry agendas to improve the state of the world in close collaboration with the other stakeholder groups of the World Economic Forum.