

A year ago, we were working with 30 women in four groups. Today the numbers look quite different. There are 57 women in the program who in total received loans for R 370'871 (€ 33'252) or in average R 6'507 (€ 583). Only 11 of the 57 women have not been able to make a single repayment. The good news is that 46 women have repaid R 113'682 (€ 10'210) or 31% of the total loan amount and Ellen Nkuzana was the first to repay her loan in full!



*Ellen Nkuzana – she is selling meat and is the first women group client who repaid her loan in full.*

Every single woman tells a different story. We try to understand why some business work and others do not. Christina Kuhn remains the motor in this project.



*Christina meeting with a group of women who explore the possibilities to qualify for an ESM loan.*

**Nozuko Juwele** is generating an income selling shoes and received a loan of R 2'000 to buy stock. With her sales, she managed to repay and applied for another loan of R 5'000. She planned to buy more stock and expand into selling Tupperware products. Again, she repaid 25% of the loan already despite having problems with customers to whom she sold on credit. Nozuko is 34 years old and has five children (age 9 to 14) who are living with Nozuko's mother in the Eastern Cape.



*Nozuko Juwele*

**Bongiwe Kabeni** was selling meat and qualified for a loan of R 3'000 to buy stock. She repaid in record time and requested a new loan of R 2'000 to buy a fridge. This would allow her to not only sell fresh meat but also frozen chicken. She already managed to repay half of this new loan despite the fact that business is not very good during the winter months. Bongiwe is married together with her husband looks after three children.



*Bongiwe Kabeni*

**Boniswa Munyu** received a loan of R 5'000 to buy stock for her "Tuck-Shop" (a place where one can buy the daily necessities). She repaid the loan in full but unfortunately could not invest the profit in the business as she had to financially assist her sister's family. ESM provided her with a second loan of R 5'000, which she cannot repay as easily as the first one. She claims that Somali traders are competing with the locals. Indeed, one can witness that the refugees from Somalia, who found a new home in Cape Town, are running their businesses much more professionally. Their shops look cleaner and the prices are lower.

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Boniswa Munyu with her youngest child.

Somali Trader Abdulkadir Adnan is an ESM client too (not part of the women group project). He arrived in South Africa 10 years ago with \$ 50 in his pocket. Today he is the leader of the Somali community in Cape Town. The fact that the foreigners from the rest of Africa who immigrated to South Africa are businesswise often more successful than the locals is creating problems. Last year a xenophobic outburst hit the townships and resulted in a lot of misery.



Somali trader Abdulkadir with his wife and daughter. The stall on the right is run by Abdulkadir's wife. They became victims of the violence against foreigners in 2008. ESM assisted Abdulkadir to restart his business after it was set on fire by the angry mob.

**Noloyiso Filo**, born 1976, married and with four children (age 6 to 14), operated a fruit & veggie stall at the Philipi station. Every morning, she or her husband went to the market buying the prod-

ucts for the day. As the fruit & veggie business belongs to her husband, she wanted to start her own



Noloyiso Filo (left) at her husband's (the guy with the rasta cap) fruit & veggie stall.

business: selling fried chicken and food in bulk (flour, rice, sugar etc). With the loan of R 10'000 she planned to buy a fridge, a deep-freezer and a frying pan, the remaining funds would be used to purchase stock. Once Christina agreed to the loan, all went as planned and the business started impressive. She was able to repay R 2'000 in no time. Then a fire destroyed everything. ESM provided the funds allowing Noloyiso restarting the business. In addition, Christina found a shelter for the two older children since they were in the middle of important exams at school and needed a safe place to live and study.



Noloyiso's shack before and ...



..... after the fire.

**Mandisa Siphika**, has six children (age 2 to 22) and is generating an income from selling cloths, blankets and sheets. She too got a loan of R 5'000

to buy stock. A month later, she already made a repayment of R 900! Unfortunately, it was the only payment. Where is the money from her business going? According to Mandisa, some of the customers who bought on credit did not pay. On top of

	Loan	Repaid	%
Angelina Yalezo	10'000	2'800	28%
Martha Thomas	7'000	0	0%
Ntombekhaya Notolwan	2'000	350	18%
Pumeza Qoza	4'000	0	0%
Vuyokazi Mbana	2'800	1'470	53%
<b>Total</b>	<b>25'800</b>	<b>4'620</b>	<b>18%</b>



Mandisa Siphika(right) and Patricia Mahote – two ESM clients enjoying their coffee break.

that, her daughter's shack caught fire and Mandisa almost lost her two grandchildren. Mandisa's daughter left the two children on their own in the shack and they accidentally initiated the fire. Thanks to an alert neighbour, they were saved. Understandably, Mandisa has other financial priorities than to repay the ESM loan.



The fire that destroyed Mandisa's daughter's shack made news. The picture was taken by Lulekwa Mbada-mane who is an ESM clients and works for Daily Sun Newspaper (more on Lulekwa on page 5).

**Women Group Number 8**

The five women in this group received their loan mid April 2009 and all of them run small trading stalls at a local street market. Three months later the picture looks like this:



Christina Kuhn and Nomfnezeko, one of the TSiBA Students, meet with the Women Group Nr. 8 and discuss the terms of a loan.



There are questions and worries about engaging with white people.



The women in group 8 are competent traders and good mothers but some have very little education and can neither write nor read. Nomfnezeko is "blackening" the thumb of a new ESM client.



*The client signs the loan agreement with a mark of her thumb!*

**Financial literacy and coaching**

Nomfizeko, Nomakhosasana and Pumla are the three TSiBA students who assist Christina in coaching the different women groups. All three are in their last year of their studies. They live in the same areas as the women entrepreneurs and visit them from time to time. They used the infrastructure of the TSiBA University to familiarise the women with basic financial knowledge. For their services, the three students receive a small salary from ESM and all three had the opportunity to buy a second hand IBM Notebook for € 50 (the notebooks were donated by Swiss Re). Working with the three students is still an experiment. Due to their demanding studies they can not spend as much time visiting the women-entrepreneurs at their businesses as expected. In addition, Pumla, the youngest of the three has just started a four months long internship with Novartis in Basle, Switzerland.



*Learning how to trade and manage money with the help of a game.*



*Learning the basics of money management.*



*Nomfizeko*

*Nomakhosasana*

*Pumla*

The TSiBA students organized workshops with a “management game” that allowed the women to “experiment” and learn the fundamentals in “money management”. In the game, they had to buy and sell hats that they sourced from a wholesaler and sold on their stalls. During the workshop, the various women groups competed against each other and “the



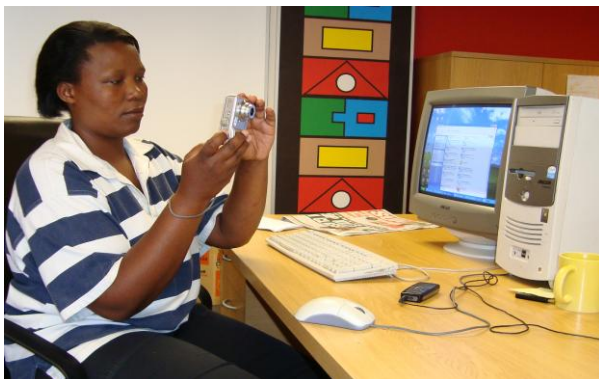
*At the end of the seminar series, the women received a certificate confirming their participation. Pictured are ESM client Noloyiso Filo, TSiBA student Pumla and Christina Kuhn.*



The women enjoy the seminars and the lunch that comes with it!

**How is Lulekwa Mbadamane doing?**

The whole women group project started when Lulekwa Mbadamane got a loan of R 2'600 to buy a digital camera. In the meantime, Lulekwa, who is living in a shack in Philipi, has learned how to use a computer and the internet. She secured herself a job as a photojournalist with the Daily Sun newspaper. With this job, she generates a monthly income between R 2'000 and 3'500 that she further improves by selling her photo cards.



Lulekwa at her desk in the Daily Sun offices.



One of the many pictures Lulekwa shot for the Daily Sun.

With her savings, Lulekwa is now in a position to extend her shack by 1 meter. This will give her the space to create a small office area in her place.



The new walls of Lulekwa's extended shack ■■■■■

While we are proud of Lulekwa's achievements, she was also the source of big worries. We had an agreement with her that in return for ESM paying her a reasonable salary for her services she was not allowed to take a commission from women she recommended for a loan. In July 2008 Christina discovered that the entrepreneurs were paying Lulekwa 10% "surety" for arranging a loan (When asked why she took "commissions" even though she promised not to do so, she responded that she took no "commission", in fact she claimed not to know the word. To accept "surety" for the kind of services she provided was totally acceptable to her "clients"). With this breach of trust, Christina stopped working with Lulekwa but we kept supporting her. She got herself in some problems because she took "surety" from some women, for whom she subsequently could not arrange a loan from ESM. Unfortunately, she has used the "surety" given by these women for her personal needs and could not repay it for a long time and this created troubles in her community.



Lulekwa (left) returning "surety" to women for whom she could not arrange a loan.

**Florence Mvuli – new ESM Loan Officer**

Once we realised that the three TSiBA students could not be as active with our clients as planned, we looked for alternative solutions and discovered Florence Mvuli. Florence is a single mother and domestic worker. In addition to these rather common characteristics, she is an officer in a “burial society”. While in the western world people have a “life insurance”, in South Africa most black individuals have a “burial insurance”. Missing a monthly payment to the “burial society” is the last thing they want to experience, because a decent burial is a very important cultural act. Therefore, an officer of a burial society is usually a much respected person in the community. We felt that Florence might just have the skills required to successfully communicate with our female clients and offered her the job as a loan officer. In this function she will visit the women groups and provide advice. At the same time she will explain to our clients how important it is for them to make the repayments in order that other individuals would get an opportunity to receive a loan for a commercial activity. For the last two months, Florence has been working with Christina on a part time bases and the results are encouraging.



Florence (left) meeting client Patricia Mahote (right) and Lulekwa (in the middle)



Books like “Dead Aid – why aid is not working and there is another way for Africa” written by Dambisa Moyo are currently very popular. In her book, she claims that in the past fifty years, more than \$1 trillion in development-related aid has been transferred from rich countries to Africa and asks the question: Has this assistance improved the lives of Africans? Her answer:

No. In fact, across the continent, the recipients of this aid are not better off as a result of it,

but worse - much worse. Dambisa argues for more innovative ways for Africa to finance development including trade with China, accessing the capital markets, and microfinance. While her book is “food for thought”, it oversimplifies the issues and generalises too much.

The outstanding loan balance for all loans stands at R 307’037 (€ 27’492) as per end of July 2009 and the total cost for managing the program since inception is R 51’658 (€ 4’542) including the salaries for the TSiBA Students and Florence, expenses for renting facilities and the lunches for our clients during training!

The glass is half-empty or half-full, depending on how one looks at it. Dambisa Moyo certainly has a point that a lot of aid is misguided. However, when considering the difficult environments, the majority of the women in the project has done well - most important, they want to learn and grow.

After studying the first update about the women project a year ago, we received some unexpected and positive reactions. We thank Breadline Africa, LogObject AG, the Roger House Foundation, the staff of b&m management, Travel Agent Imagine, The Inner Wheel Wesel, Heinrich Bobst and Maria Wicki for their assistance which in total amounted to R 105’856 (€ 9’311).

Stay tuned for an update on the 57 women and their 166 children next year.

Greetings

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PS: Inspirational advertising from South Africa

