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Case Studies of Social Enterprises in South Africa

SODLA SONKE COOPERATIVE

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BACKGROUND

In 2004, thirteen members of the Walmer Location township came together to form the Sodla Sonke (“We are all going to benefit”) Cooperative. Their aim is to eradicate poverty in their township. Mr. Moki Cekisani was elected the Chief Executive Officer (CEO) of the cooperative and he came up with the strategy of offering cleaning services as an income-generating service. The members organised themselves and won a tender by the Nelson Mandela Metropolitan Municipality (NMMM) to clean the city centre.

The cooperative won a second tender in 2008 with Airports Company South Africa (ACSA) to clean Port Elizabeth Airport. Both contracts are for three years each, and the initial NMMM contract has been renewed for a further three years.

SOCIAL PURPOSE

Who benefits? The residents of Walmer Location Township

Walmer Location Township is situated between the Port Elizabeth airport and the suburb of Walmer, and is home to about 70,000 residents in a four square kilometre area. It was the first township formed in Port Elizabeth and is famous for being one of the only areas in the country in which citizens resisted the forced evacuations during apartheid. However, basic infrastructure and facilities were denied to residents and the township seems to have not recovered sufficiently despite 16 years of democracy. Unemployment is around 80%, crime and substance abuse are high, and the HIV infection rate is soaring.

Sodla Sonke aims to eradicate these social ills within its community. It does this by working with schools to educate learners on different social issues. The cooperative recognises the financial limitations of schools in its township and supplements the school's lessons with inter-school discussion groups on social problems.

The cooperative also believes that local children are not exposed to life outside the township and hence organises cultural and educational trips for them to learn about interesting subjects such as wildlife.

The organisation also works closely with other community members to find the best ways to respond to their challenges. One of their recent initiatives, a recycling project, was created together with The National Institute for Crime Prevention and the Reintegration of Offenders (NICRO). The idea is to source waste material and train ex-offenders to create commercial products from it. The hope with this initiative is that it will discourage people from re-offending and help to eradicate crime in the Walmer township.

BUSINESS MODEL

Product and / or Service	The main service offered by the cooperative is an office/property cleaning service. The cooperative provides job opportunities to unemployed people from the Walmer community within the cleaning service. The cooperative also runs a small recycling project. Waste material from around the community is sourced and various products are made with it. These products are then sold to earn an income for the cooperative.
Target Market	The cooperative approaches companies, institutions and government offices to become clients of the cleaning service.
Financial Model	The cooperative's main income is from the contracts it has won through competitive tenders. It also earns a small amount from the recycling project. The cooperative does not charge membership fees. Instead, members trade their time by executing various duties on behalf of the cooperative. Some members also participate in the cleaning service, for which they earn an income. Salaries and the charitable activities implemented in the community are the main monthly expenses. The cooperative invested in trucks to remove dirt and rubble from the cleaning sites.
Proportion of earned income	100%
Business form	Sodla Sonke is structured and registered as a cooperative. The cooperative has 11 members; the Chairperson is Zodwa Matiwane and the Treasurer is Tozama Gula.

Replicability	The cooperative structure is replicated easily and the services offered range from home based medical care to environmental services to running crèches for neighbourhood children. Unfortunately, the failure rate of cooperatives in South Africa is high. One of Sodla Sonke's main reasons for choosing to set up a cleaning service was that all members had the skill to take part. It was a service they could start on immediately without any training. It was also a service that they believed would always be in demand.
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REACH, SCOPE AND IMPACT

After being awarded the contracts, the cooperative was able to implement the following across the Walmer Location township:

1. Employ 39 people on a full time basis and in some months, twenty casual staff are brought on board.
2. Clean their community (Walmer Location is recognised as one of the cleanest townships in Port Elizabeth)
3. Conduct a school programme – pupils are educated about early pregnancies and the consequences for their lives. The cooperative also runs inter-cultural educational programmes for school-children (schools in the township do not have the financial resources to do this)
4. Donate to local churches for community activities

Quick facts

Number of Members:
11 members

Number of people employed:
39

Location:
Walmer, Port Elizabeth

Geographic Footprint:
Port Elizabeth

CHALLENGES

The cooperative needs to develop other skills to diversify its services but is unable to get access to skills development programmes run by other organisations. The cooperative does not have sufficient income to pay for such programmes.

The other main challenge is being able to gain access to other tendering opportunities. Due to being a small cooperative with few networks, the group struggles to find relevant information on potential contracts.

LONG-TERM VISION

The vision is to build the cooperative's sustainability by acquiring more clients. In doing so, Sodla Sonke aims to increase the charitable activities that it implements in the Walmer township.

Sodla Sonke also plans to grow the recycling project in order to increase its earning potential. The cooperative believes that increasing the number of ex-offenders involved in the project will have a greater impact on the level of crime in Walmer township.

BEST PRACTICES AND LESSONS LEARNED

1. The fundamental principles of cooperatives can be applied to other organisations. Working together, sharing and taking decisions together has helped Sodla Sonke to be successful
2. A key strength is knowing how to organise themselves – the group comes together to discuss projects, make key decisions and put systems in place to ensure that they carry out their tasks efficiently. Due to this, they are able to bring in the necessary resources and respond to large tenders
3. Honesty is vital in a cooperative (or any other socially-driven organisation). Members have to know they can trust each other and that the community can trust them in order for the cooperative to succeed

