



Keeping Ahead in ICT

Phone Shops

Voice-over

A few miles from Daveyton township is Beckerstown, a recent settlement of migrant workers. In these areas it isn't only small entrepreneurs like Peter Dzingwa who puts up 'phone shops, but also community action groups. It still isn't easy. The different tribal groups can be political rivals and have to be brought together to achieve common goals, but eventually they agree to run a 'phone shop for the community.

Vusi Gumede, Telkom

We have to set up meetings with different organisations within the community from the left, from the right, you know you have to make them see the common goal, agree on one goal, this is what we want to do for you people, to benefit the community in the long term. People make applications for these kind of 'phone shops, it goes through a system of, well it's a checklist system, we take in the application, we really have to check the people to see if it's viable for them and for Telkom because we cannot just give 'phone shops to anybody, it has to be somebody who's got some sort of a credit track record. With this one there was talk that the trust members of this particular 'phone shop were looking at building a crèche, you know there are certain logistics that they have to sort out within themselves in the community, and the community will have something, thanks to the proceeds of the 'phone shop.

Voice-over

Two million calls a month are made from 'phone shops, with an average length of one to two minutes. The calls keep people in touch. Migrants in the townships are often family breadwinners and need to send money back home. The 'phones are important socially, but also vital for managing family finances. For some South Africans 'phone shops themselves have been instrumental in breaking down the barriers of poverty. The 'phones make money but they also attract people, encouraging the developments of other unrelated businesses around them.

Alan Knott-Craig, Chief Executive, Vodacom

We've essentially created telephone companies in areas where there were no telephones, and when I say telephone companies, they haven't bought networks, but they've taken our product and we've modified that technology for them so that they can only sell their product and really create very big, flourishing businesses, and a large number of these people who were really, in many cases, had no jobs before, have become very, very rich, very wealthy, and have become very well versed in the business of business, besides providing a telephone service in those areas where there aren't, and in many of these areas you have a million people living and no telephones, so someone comes in there with five telephones and a telephone service, I mean just from the point of view of emergency it's a huge, positive thing to bring to those communities.

Voice-over

Ellen Villacarsy grew up in Alexandra, the poorest of Johannesburg's townships. She spent the first six years of her working life filling shelves in a local supermarket, but now she's in business herself. On a friend's advice she approached Vodacom and persuaded them to give her the opportunity of running her own 'phone shop. For Ellen it was just the beginning. Her businesses now include several 'phone shop containers, as well as a supermarket of her own.

Ellen Villacarsy

Since I have started with my business I think my life has changed because I've got six kids, and then they are in a multi-racial school, I can afford them, and then when I start with

Vodacom I didn't have even a car, now I've got two cars, and then my house, I am satisfied with my house, furniture and everything is nice, and then we are living a better life with my husband now. I've got a butchery, fast food, groceries, small liquor store. I need more 'phone shops, if I can have something like ten containers I think I'll be rich.