

A social franchising partnership approach to infrastructure maintenance

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In some areas of South Africa, the failure of infrastructure negates the impact of the development achieved to date. Sometimes, the cause of poor maintenance is an insufficient maintenance budget or the lack of skills to undertake maintenance.

South Africa has exceptionally high unemployment levels and there is substantial evidence that low skills levels contribute to unemployment. Whereas much of South Africa's infrastructure maintenance can be done by people with low skills levels, the need for job creation, especially for people with low skills levels, and for better maintenance, suggests that addressing maintenance backlogs would generate extensive opportunities for skills development and job creation for low-skilled people.

An innovative model

While extensive opportunities for skills development and job creation would be generated by addressing maintenance backlogs, this job creation has to be properly managed, while ensuring the quality and reliability of the maintenance work.

One model that can address this issue is the social franchising partnership model, which borrows from and adapts commercial franchising principles. Social franchising operates on the same premise as commercial franchising, but the focus is on achieving a socio-economic goal, rather than turning a large profit. The model utilises concepts that were formulated by the Council for Scientific and Industrial Research (CSIR), and developed by the CSIR in collaboration

with the Water Research Commission (WRC) and the East London-based water engineering contractor Amanz' abantu Services. The success of franchises is based on the replication of success, efficient logistics, as well as a trained and capacitated workforce. A franchise is robust and can ensure products and services of a consistent quality. Franchisees are obliged to adopt the established systems and procedures of the franchisor and to accept the quality control of the franchisor, which results in better quality assurance and greater efficiencies.

This model has already successfully addressed an infrastructure problem that is widely encountered in South Africa. As it was facing a crisis brought about by poor maintenance, the Eastern Cape Department of Education (DoE) agreed to a three-year pilot project for the routine servicing of water and sanitation facilities at approximately 400 schools in the Butterworth education district in 2009. Noticing how effective this intervention was, the nearby district municipality agreed to a pilot project to service household toilets. The DoE, this municipality and other nearby municipalities have since contracted the franchising partnership to do further similar work.

Social franchising partnerships, which have long been established in the health and social services sectors in Europe and Asia, are especially suitable for communities with a large underprivileged population in need of infrastructure services, employment and opportunities to develop their entrepreneurial and technical skills. The concept offers opportunities for linking local economic development and job creation with the provision of basic municipal and community services.

The model provides appropriate training, as well as a quality management system and procedures. The public sector authority's willingness to outsource its



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responsibility for routine servicing and its ability to procure, appoint, direct and pay microbusinesses to undertake the work under the guidance of the franchisor, is the franchise's key to success.

The pilot project

Once the DoE had agreed on a project scope, training and operations plans were developed. Local people were invited to come forward and their suitability for training as franchisees was assessed. These trainee franchisees were then assisted to set up their microbusinesses, employing other local people – most of them previously unemployed – and empowering them with learning opportunities and reliable incomes. Under the guidance of the franchisor, these franchisee teams undertook the cleaning and routine servicing of the water and sanitation facilities.

The primary objective of the Butterworth schools' sanitation and water servicing pilot project was to develop and test an outsourcing model that could be used for rolling out similar services to most of the 6 000 public schools across the Eastern Cape's 23 education districts. Without question, it succeeded in achieving this objective.

The following main lessons were learnt from the pilot projects:

- Task-specific concept development (for example, the specifics of the business model, training programme and operations manuals) can only be

done by a franchisor who knows the details of performing that task, based on first-hand experience in the same or a similar community.

- Potential franchisees must be chosen on the basis of willingness to work hard and to commit to the business principles.
- Because the service is an essential service, franchising agreements must make provision for the prompt replacement of non-performing franchisees.
- Cash flow problems will quickly put any small enterprise out of business. Careful attention must be paid to resolving procedural issues around the payment process and ensuring prompt payment of invoices submitted by the franchisees.
- To facilitate rapid agreement that the work has been performed according to specifications and that payment can be authorised, tasks must be as standardised as possible and assigned standard prices.

The way forward

In the right hands, this approach ensures quality and reliability of service through training and mentoring. Although the pilot projects both dealt with low-technology sanitation and water infrastructure, there is clearly great potential for social partnerships to undertake the operation and/or maintenance of other infrastructure. Opportunities have been identified in, for example, the maintenance of local

electricity reticulation networks, roads maintenance, solid waste collection, the maintenance of stormwater reticulation, and the maintenance of community buildings and public open spaces.

That the average South African citizen or community has little interest in the maintenance or repair of infrastructure that he or she does not regard as his or her own – or which he or she would not see direct benefit in maintaining or repairing – presents an opportunity for social franchising partnerships. Also, the maintenance and repair of household-level infrastructure, such as on-site water and sanitation facilities and solar panels, not to mention the housing structure itself, is often beyond the abilities of households. For example, a study of the usage of rainwater tanks noted that “the maintenance of a rainwater harvesting system is an ongoing regular duty, and knowledge gaps in terms of maintaining the tank exist” (Dobrowsky, Mannel, De Kwaadsteniet, Prozesky, Khan and Cloete, 2014). Accepting that many households either would not or could not undertake the maintenance, “an alternative solution may be to train one or two individuals in the community to supervise the functioning, operation, maintenance and repair of the tanks, instead of rolling out a training programme aimed at the entire household” (Dobrowsky et al. 2014).

In other words, it would often be more effective to assemble workforces from the communities, and then

train suitable persons to undertake this work as specialists, rather than expecting the households to do it. Therefore, people or institutions are needed that can carry out the work to the required standard and have the incentive to do so. The social franchising partnership model, providing as it would people skilled to carry out the work to the required standard and with the incentive to do so, is ideal for this.

The driving force behind success is the franchisees' incentive to achieve set standards, get paid when they achieve these standards and grow their own businesses. Systems that are managed by the franchisor reinforce this arrangement, which ensures quality control over the operations, sustainability through economically viable pricing systems and responsible health and safety, and environmental management systems. ☺

References

Dobrowsky, PH, Mannel, D, De Kwaadsteniet, M, Prozesky, Khan, W and Cloete, TE. 2014. Quality assessment and primary uses of harvested rainwater in Kleinmond, South Africa. *Water SA*, July.



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