Tourism Enterprise Programme (TEP)

South Africa

July 2000 – March 2008

Client:
Business Trust
Department of Environmental Affairs and Tourism

Project Website:
www.tep.co.za

Facilitating the growth and expansion of small, medium-sized and micro-enterprises within the tourism economy to create jobs and income-generating opportunities

Under apartheid, the majority of South Africans were restricted from travelling freely or owning land and making investments in the areas of their choice. This resulted in an undeveloped culture of tourism in the population at large and a lack of appreciation of the economic opportunities presented by it. To this day, the industry remains predominantly white-owned and –controlled, catering largely to white and foreign tourists. At the same time unemployment in South Africa has been rising since the 1970s. By 1998, 3 million people (24 percent of the economically active population) were unemployed.

Business and government leaders understood that concerted action would be required to face the challenges these two issues posed. A strategy was devised through intensive consultation and the Business Trust settled on tourism as the sector most likely to yield sizeable numbers of job opportunities in the shortest time. Tourism Enterprise Programme (TEP) was initially launched as a four-year national job creation initiative in July 2000. Following good performance in Phase 1, TEP was granted an extension through June 2006 and was again extended to March 2008.

Since 2000, ECI*Africa* has led a consortium to management and implement TEP. Under the programme, ECI*Africa* has helped broaden the range of stakeholders to serve as a trigger and catalyst for small, medium-sized, and microenterprise (SMME) participation in industry growth and job creation in order to help achieve the goals of the Accelerated and Shared Growth Initiative of South Africa of providing 400,000 new jobs in tourism by 2014. TEP works with SMME's by assessing their constraints to growth, recognising that jobs can only be created by businesses that are growing sustainably. TEP and the SMMEs then jointly identify appropriate ways of addressing these constraints and often make use of specialist service providers in doing so.

During the first six years, TEP assisted more than 3,100 SMMEs to grow their revenues by more than R2.1 billion collectively, creating more than 30,500 jobs in the process. Since 2000, TEP has assisted more than 1,600 enterprises to obtain new business, 73 percent of these are HDI-status enterprises.

In addition to creating business linkages, the TEP team has also been involved in a number of unique initiatives. In Soweto, TEP assisted the newly formed Soweto Tourism Association in its development and has provided ongoing assistance to the association. Based on this success, the team has started working with community members to get a similar association up and running in Alexandria. TEP has also assisted the South African crafting sector by organising one of the first craft trade shows in June 2004. The 'One of a Kind' trade show brought together a wide range of crafters and allowed them to exhibit their products to potential South African and international buyers. Plans are afoot to make this an annual trade show and expand it to other countries in the region.