

THE MANDELA INITIATIVE

Dialogue and action to overcome poverty and inequality

Mandela Initiative Action Dialogue

Report on Workshop 6: Job-Creating Skills Development

held at Goedgedacht, 29 September – 2 October 2016

Introduction

As part of the Mandela Initiative Action Dialogue to overcome poverty and inequality in South Africa a Workshop was organised to deal with the problem of unemployment which is a major contributing factor to poverty. The Workshop was attended by 18 people from business, the state, labour, universities, TVET Colleges and Civil Society Organisations of various kinds. Every participant at the Workshop is actively involved in skills development that leads to employment creation.

The aims of the Workshop were:

- To gain a broad overview of the skills development activities taking place around the country;
- To develop synergies between the different skills development initiatives presented by participants at the Workshop;
- To find additional ways participants at the Workshop can contribute to skills development and job creation;
- To identify gaps and weaknesses in the provision of skills development at the local, intermediate and national levels;
- To facilitate, contribute or launch initiatives that could contribute meaningfully to the provision of skills and job creation in South Africa.

This Report presents an account of the Workshop. It summarises the presentations of the participants as well as the role the organisations for which they work are playing in developing skills and creating jobs. It commences in Part I with background information on the extent of poverty and unemployment in South Africa and reasons why skills development can contribute significantly to the creation of jobs thereby reducing unemployment and poverty.

The Programme of the Workshop is included as an Appendix at the end of the Report. It provides a useful quick guide on the themes and issues dealt with at the Workshop.



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Part I. Background

1. Poverty in South Africa and one of its Root Causes

a. Poverty in South Africa

Poverty in South Africa remains extensive. Along with unemployment and gross inequality it constitutes a major socio-economic ill of our society that needs to be eliminated as a matter of urgency. After twenty years of political transformation in South Africa with a government voted into power by an overwhelming majority of poor people in the country, very little progress has been made in reducing poverty. Seekings and Nattrass, who extensively researched poverty and the reasons for its persistence after apartheid, concluded:

'First, and most importantly, poverty rates in South Africa remained very high by standard international criteria, given the country's levels of development and overall prosperity. South Africa's income poverty rates were exceptionally high in 1994, and remained exceptionally high after twenty years of democracy. Secondly, income poverty rates probably worsened in the 1990s, driven by an unemployment rate that was rising from its already extraordinarily high level. Unemployment had a devastating effect because so few South Africans subsisted through smallholder agriculture. ... Thirdly, data on hunger and malnutrition among children indicated a downward trend, but this might be due to more pro-child expenditure patterns of school feeding programmes, not higher incomes per se. Hunger among adults did not show such a clear downward trend. Fourthly, life expectancy and child mortality data show an unambiguous deterioration after 1994, due primarily to AIDS and the government's much delayed response. Finally, income inequality probably increased over the period (and the data probably underestimates the extent of this increase). Most of the benefits of economic growth were captured by the richer half of the population, and especially by the top income quintile, into which a substantial number of African people had moved.'¹

So what is the level of poverty in South Africa? Unfortunately, there is no simple answer to the question due to the difficulty of defining poverty precisely and lack of reliable statistics. After extended discussions, the government came up with three official poverty lines: the 'food poverty line' (FPL), the 'lower-bound poverty line' (LBPL), and the 'upper-bound poverty line' (UBPL). The FPL is 'the level of consumption below which individuals are unable to purchase sufficient food to provide them with an adequate diet', the LBPL includes 'non-food items, but requires that individuals sacrifice food in order to obtain these', while the UBPL is the income level that allows people to 'purchase both adequate food and non-food items'.² Statistics South Africa came up with measures for these three levels of poverty. It determined that in 2011 20% of the population lived below the FPL, 32% below the LBPL, and 46% below the UBPL.³

The lack of reliable statistics provides another problem in determining the level of poverty. In one highly detailed study enormous variations in poverty headcounts were found between different data sets for the years 1993 to 2009 for the same poverty line.⁴ The poverty headcount is the proportion of the population living below the poverty line. In the study it was

¹ Jeremy Seekings and Nicoli Nattrass. 2015. *Poverty, Politics & Policy in South Africa: Why has poverty persisted after apartheid?* Johannesburg: Jacana Media, pp.43-44.

² Seekings and Nattrass, 2015, p.38, citing an official publication of the Presidency of South Africa.

³ Seekings and Nattrass, 2015, p.44.

⁴ Seekings and Nattrass, 2015, p.41.

found that a poverty line roughly equivalent to the UBPL varied between 65 and 80 per cent using data from three data sets and between 40 and 60 per cent using two different data sets.⁵ Hence somewhere between 40 and 80 per cent of the South African population are poor.

b. Root Cause of Poverty in South Africa: Unemployment

The major reason for poverty in South Africa is unemployment.⁶ The unemployment level has been high for a long time. The first reliable estimate of the level of unemployment in South Africa was provided by Charles Simkins. He estimated that the level of unemployment was 18.3% in 1960 and had risen to 22.4% by 1977.⁷ This was a general unemployment level for the whole labour force, but it was predominantly due to the high level of unemployment of Black workers. White workers' unemployment level was significantly lower, as another study by him showed. He found that in 1970 and 1975 White unemployment stood at 5.0% while Black unemployment was a high 23.5%.⁸

It has been contended that 70% of poverty in the country is due to unemployment.⁹ In South Africa there are 7.5 million adults of working age who are willing and wanting to work, but are unemployed. The extended unemployment rate (including discouraged workers who have stopped looking for work) is no less than 32%.¹⁰ Thus almost one in every three members of the labour force is unemployed and not earning an income.

Table 1. Unemployment rates of youth aged 15-24 years 2008-2015

Population Group	2008 %	2015 %	Average % 2008-2015	Percentage of population
All youth	45.6	50.1	50.0	100.0
Black/African male	45.5	49.6	50.3	41.9
Black/African female	57.7	60.6	61.0	41.6
Coloured male	39.2	41.4	44.2	4.3
Coloured female	38.9	45.4	45.4	4.3
Indian/Asian male	24.2	27.5	27.3	1.0
Indian/Asian female	28.7	28.7	27.2	1.0
White male	14.7	24.1	17.3	3.0
White female	11.6	22.1	18.5	2.9

Note: The average is for all the years from 2008 to 2015, not only of 2008 and 2015.

Source: Statistics South Africa. Quarterly Labour Force Surveys, 2008–2015.

⁵ Seekings and Nattrass, 2015, p.42.

⁶ Charles Meth. 2007. Sticking to the Facts: Official and Unofficial Stories about Poverty and Unemployment in South Africa. DPRU Working Paper 07/123. Development Policy Research Unit, University of Cape Town. The Abstract's opening sentence reads: 'Poverty's major cause is unemployment.'

⁷ Charles Simkins. 1978. Measuring and predicting unemployment in South Africa, 1960-1977, in *Structural Unemployment in Southern Africa*. Development Studies Series: 1. Pietermaritzburg: University of Natal Press, p.34.

⁸ Charles Simkins. 1978. African unemployment in urban and rural South Africa, in *South African Unemployment: A Black Picture*. Development Studies Research Group. Pietermaritzburg: University of Natal, p.103.

⁹ www.anc.org.za/caucus/show.php?ID=347 21 Oct 1996. Accessed 18 March 2016.

¹⁰ Statistics South Africa. 2016. Quarterly Labour Force Survey, Quarter 4:2015.

More alarming is the fact that half of the young people aged 15–24 years are unemployed (See Table 1 below). Of even greater concern is that their unemployment rate has increased from 45.6% in 2008 to 50.1% in 2015. So their situation is getting worse rather than better. Table 1 shows that Black female youth are worst off with an average unemployment rate of 61% over the period 2008-2015. Black males are next worse off with an average rate of 50.3% over the period. Coloured male and female youths' situation is almost as bad with unemployment rates in the mid-40s. For Indian males and females it was 27% over the period and for White males and females in the upper teens. By international standards even these rates are considered to be unacceptably high.

The worst off youths are those who are not in employment, education, or training, the so-called NEETs. In 2010 there were 3.2 million NEETs between the ages of 18 and 25 years.¹¹ This creates a sense of meaninglessness and futility as their lives are just wasting away. The overwhelming majority of these youths are Black as they constitute 83.5% of the population.

There is thus an urgent need for job creation in South Africa, especially for the Black youths who constitute the overwhelming majority of NEETs.

2. Reducing Unemployment by means of Job Creation

a. Job Creation by means of Investment and Economic Growth

There is general agreement that the most common way to create jobs is by means of economic growth, but not just any growth. It has to be labour-absorbing economic growth as the National Development Plan has pointed out.¹² This requires investment by the public sector and the private sector. Public sector investment primarily focuses on infrastructural investment to ensure that the basic requirements for economic growth, such as energy, transport, water, information and communication technologies, are in place.¹³ The private sector needs to ensure that its investment is and remains competitive. This requires that a culture of innovation and learning permeates business and society.¹⁴

The Centre for Development and Enterprise (CDE), which recently spent two years 'working on a major project to identify national priorities for faster economic and employment growth'¹⁵ concluded that 'sustained, rapid and inclusive economic growth is the sole basis ... that makes possible a rise out of poverty ...'.¹⁶ CDE stresses that the economic growth must be inclusive by which they mean labour-intensive: 'To be inclusive South Africa's quest for faster economic growth must place faster employment growth at its centre.'¹⁷

¹¹ Nico Cloete and John Butler-Adam. 2012. Introduction, in H Perold, N Cloete and J Papier, eds. *Shaping the Future of South Africa's Youth: Rethinking Post-School Education and Skills Training*. Somerset West: African Minds, p.3.

¹² National Planning Commission. 2011. *National Development Plan*. Department of the Presidency, Republic of South Africa, pp.11, 105-6.

¹³ National Planning Commission, 2011, chapter 4.

¹⁴ National Planning Commission, 2011, p.110.

¹⁵ Centre for Development and Enterprise. 2016. *The Growth Agenda: Priorities for mass employment and inclusion*. Growth Series Report 1. Johannesburg: CDE, foreword.

¹⁶ CDE, 2016, p.2.

¹⁷ CDE, 2016, p.3.

The National Development Plan set itself the target of reducing unemployment from 27% in 2011 to 6% by 2030. To achieve this, the GDP has to grow at an average rate of 5.4% per year.¹⁸

But what if there is no or very slow economic growth? GDP annual growth in South Africa averaged only 2.9% from 1994 until 2016 and grew at a mere 0.7% year-on-year in the September quarter of 2016.¹⁹ It is forecast to grow at only 0.9% in 2017 reaching 2.1% by 2020.²⁰ At these growth rates unemployment is more likely to increase than decline. So what else can be done to create jobs in South Africa? One other way of creating jobs is by means of skills development.

b. Job Creation by means of Skills Development

One of the reasons why skills development will result in job creation is because there is a structural imbalance in the South African labour force. The country has an abundant over-supply of unskilled and low-skilled labour while at the same time experiencing a shortage of semi-skilled and skilled workers.

This structural imbalance has been in existence for a very long time. Its origins can be traced back to the emergence of the mining industry in the late 19th century when the first legal colour bar was introduced that reserved skilled occupations for Whites only. This was reinforced with more legislation after the 1922 Rand Rebellion which 'entrenched the colour bar more firmly than ever before not only in the mines but in the economy as a whole.'²¹ Not only were Black and Indian people barred from many skilled jobs, but apprenticeships were effectively restricted to Whites only.²² Hence only Whites became skilled artisans. As a result, Blacks mostly remained in low-skilled jobs even as the colour bar started to be eroded and ultimately completely abolished after 1994.

In addition, the population growth rate of Blacks has been higher than that of Whites.²³ As a result the Black labour force grew faster than that of Whites. The rate of growth of the economy throughout most of the 20th century was capped by the rate at which the skilled White labour force was growing. Because the Black low-skilled labour force grew at a faster rate, their level of unemployment kept on increasing.²⁴

Not only are Black unemployment levels much higher than that of Whites, their education has been grossly inferior to the education Whites received even before the apartheid era commenced. After apartheid came to an end in 1994 primary and secondary school education in Black residential areas remained poor, even deteriorating for the first ten years or so.²⁵

¹⁸ National Planning Commission, 2011, p.28.

¹⁹ <http://www.tradingeconomics.com/south-africa/gdp-growth-annual>. Accessed 3 February 2017.

²⁰ <http://www.tradingeconomics.com/south-africa/forecast> Accessed 3 February 2017.

²¹ Francis Wilson. 1972. *Labour in the South African Gold Mines 1911-1969*. Cambridge University Press, pp.7 and 11.

²² Wilson, 1972, p.11. GV Doxey. 1974. *The Industrial Colour Bar in South Africa*. Westport: Greenwood Press, pp.131-33.

²³ <http://www.sahistory.org.za/social-histories/census-south-africa> Accessed 4 February 2017.

²⁴ Johann Maree. 1978. The Dimensions and Causes of Unemployment and Underemployment in South Africa. *South African Labour Bulletin*, vol.4, no.4, pp.33-41.

²⁵ See Graeme Bloch. 2009. *The Toxic Mix: What's wrong with South Africa's schools and how to fix it*. Cape Town: Tafelberg. Edward B Fiske & Helen F Ladd. 2004. *Elusive Equity: Education reform in post-apartheid South Africa*.

Combined with this the new National Skills Development Strategy that was rolled out in 1998 failed to provide effective skills development delivery. The Sectoral Education and Training Authorities (SETAs) that were established generally became embroiled in bureaucratic mazes and amassed enormous sums of money that should have been spent on skills development.²⁶ Apprenticeships leading to qualified artisans were at first side-lined for learnerships that the SETAs administered until there was an outcry from industry about the shortage of qualified artisans. The former Technical Colleges were consolidated into 50 FET Colleges, recently renamed TVET Colleges. As the neglected stepchild of education, the FET Colleges were underfunded with the result that the quality of their equipment and teaching deteriorated. Their intake of students also remained low.²⁷

The upshot of all this was that Black rural and township youth have generally remained poorly educated with limited opportunities to receive high quality post-school vocational education and training that would render them employable or entrepreneurial enough to create their own jobs. But for those who are managing to acquire the necessary education and vocational training the opportunities for employment do exist, even without macro-economic growth.

In a recent study completed by the Labour Market Intelligence Partnership (LMIP) a shortage of skills 'critical to supporting the economy' was identified. According to LMIP 'these skills demands are not being met due to their severe shortage...'²⁸ Amongst the skilled occupations it identified is a shortfall of managers with technical subject knowledge and expertise as well as for teachers, particularly for Early Childhood Development (ECD) practitioners and for Mathematics and Science secondary school teachers. In 2014 there was a shortfall of 8000 teachers in that 25000 new teachers are required every year and only 17000 new teachers graduated in 2014.²⁹ Amongst the semi-skilled occupations the study identified a critical shortfall in 'the building and construction, metal machinery and related trades, as well as electrical and electronic trades. The numbers produced for each of the areas by the TVET colleges are only a few hundred. This points to a significant educational supply mismatch.'³⁰

Washington DC: Brookings Institute Press. Nick Taylor, Johan Muller & Penny Vinjevold. 2003. *Getting Schools Working: Research and Systemic School Reform in South Africa*. Cape Town: Pearson Education South Africa.

²⁶ See Paul Lundall. 2003. Sector Education and Training Authorities and the Delivery of Training: Preliminary Remarks on the New Skills Dispensation in South Africa. DPRU Working Paper 03/79. Development Policy Research Unit, University of Cape Town. Renee Grawitzky. 2007. Setas – A Vehicle for the Skills Revolution? DPRU Working Paper 07/125. Carmel Marock, Candice Harrison-Train, Bobby Soobrayan and Jonathan Gunthorpe. 2008. SETA Review. DPRU Working Paper 08/132. Claudia Mumenthey, Angélique Wildschut and Glenda Kruss. 2012. Assessing the impact of learnerships and apprenticeships under NSDSII: Three case studies: MERSETA, FASSET & HWSETA. HSRC Education and Skills Development Research Programme. Human Sciences Research Council and Development Policy Research Unit.

²⁷ See Glen Fisher, Ros Jaff, Lesley Powell and Graham Hall. 2003. Public Further Education and Training Colleges, ch.14 in Andre Kraak and Helene Perold, eds. *Human Resources Development: Education, Employment and Skills in South Africa*. Cape Town: HSRC Press, pp.326-351. Salim Akoojee, Simon McGrath and Mariette Visser. 2008. Further Education and Training Colleges, ch.12 in Andre Kraak and Karen Press, eds. *Human Resource Development Review: Education, Employment and Skills in South Africa*. Cape Town: HSRC Press, pp.254-277. Andre Kraak. 2011. The post-school system and its contribution to Human Resources Development and *Vision 2025*. Research Report commissioned by the National Planning Commission, Pretoria, section 4, FET Colleges, pp.21-33.

²⁸ Labour Market Intelligence Partnership (LMIP). 2016. *Skills Supply and Demand in South Africa*. Department of Higher Education and Training, Republic of South Africa, p.75.

²⁹ LMIP, 2016, pp.75-77.

³⁰ LMIP, 2016, p.77.

In a detailed study of skills demands and supply in the South African automotive components industry in 2007, it was found that there were shortages for various types of artisans. In interviews at 12 component firms three-quarters reported shortages for electricians, two-thirds for fitters and turners, half for millwrights and a quarter for artisans in electronics.³¹

In the nursing profession the Department of Labour identified a shortage of 10250 registered nurses and 4120 primary health care nurses in 2006. In the same year there were 2166 vacancies for registered nurses published.³²

A more recent study by the Department of Labour found that the total number of job vacancies in the skilled occupations classified as Technicians and Associate Professionals added up to 28190 from 2010/11 to 2014/15.³³

These examples indicate that there are extensive shortages of skills in the economy and that employment will be created if people could be trained to acquire the necessary skills. The number of shortages is sometimes large; hence a significant number of jobs would be created. Filling shortages could also enable firms to expand and employ more people. Hence job creation through skills development could have a positive multiplier effect.

Finally, it is not only the conventional critical and scarce skills where jobs can be created by means of skills development. There are many other niches in the economy where skills development could lead to job creation. The UIF (Unemployment Insurance Fund) Labour Activation Programme Unit provides a remarkable example. With the aid of its funding support for the Mzansi Scuba Diving Academy, run by Kholisile Khumalo, it recruited 100 'poorest of the poor' young people 'from the deep rural areas' who 'could not swim to save their lives'. They were taught to swim and dive. In addition their literacy levels were 'worked on'. Most of them became master divers and 80 of the initial group have found employment.³⁴

But it is not only skills development that helps to create jobs, access to information for workseekers – even ones with relatively low skills – can also lead to getting a job. This has been borne out by Giraffe, co-founded by Anish Shivdasani, an automated mobile recruitment app which operates on any cell phone with a web browser. It established that there is a shortage of motorcycle delivery people in South Africa, as well as sales staff, cashiers and hotel and restaurant workers. It placed all the motorcycle drivers on their database in jobs, but still receives requests for more delivery drivers. Giraffe opened for business in 2015 and by August 2016 it claimed to have placed 40,000 people.³⁵

Harambee Youth Employment Accelerator takes the provision of information to first-time workseekers further by providing them with work-readiness training. They have also placed thousands of relatively low-skilled youth in jobs. Details of what they do and how they do it are provided in Part II as a representative of Harambee was a participant at the Workshop.

³¹ Justin Barnes. 2009. On the brink? Skills demand and supply issues in the South African automotive components industry. Ch.2 in *Sector s & Skills: The need for policy alignment*, edited by Andre Kraak. Cape Town: HSRC Press, pp.36-37.

³² Angelique Wildschut and Thando Mgqolozana. 2009. Nurses. Ch.7 in *Skills Shortages in South Africa: Case Studies of Key Professions*. Cape Town: HSRC Press, pp.133 and 142,

³³ Department of Labour. 2015. *Job Opportunities and Unemployment in the South African Labour Market*. Department of Labour Republic of South Africa, p.3.

³⁴ 'An underwater success', City Press, 22 January 2017, p.12.

³⁵ "No shortage of work" at bottom of jobs ladder', Sunday Times Business Time, 7 August 2016, p.3.

Part II. Presentations at the Workshop, held at Goedgedacht from 29 September – 2 October 2016

What follows below is not only a summary of what each of the participants said at the Workshop, but also what the organisations they are working for are doing in terms of skills development that leads to job creation. Thus not only what they said, but also what they are doing in creating an educated and trained workforce is captured below.

Thursday Evening, 29 September

Goedgedacht

The Workshop commenced with Peter Templeton, co-founder with his wife Anne of Goedgedacht and Director of Goedgedacht Trust, telling participants at the Workshop of the role Goedgedacht has been playing over many years providing rural youth with skills to make a decent living in rural areas.

The Goedgedacht Trust was established in 1993 with the objective of making a contribution to the transformation of impoverished rural communities by addressing poverty that affects the lives of rural children and youth. The Trust's aim has been to develop a sustainable and replicable model for community development in rural areas, which offers youth opportunities to break out of the cycle of poverty.³⁶

The Trust runs a "Path out of Poverty (POP)" program that seeks to transform rural communities, by offering the next generation of children the opportunity to become healthy, self-confident, educated young people able to take up servant leadership roles in their own communities, and to help them break out of the damaging cycle of poverty that has trapped their families for generations. Its most successful programme has been the Goedgedacht Rural Leadership College where 18 – 21 year old men and women are prepared for adulthood, work, tertiary education and, most importantly, for leadership in their own communities.³⁷

Goedgedacht therefore provided a most suitable setting for the Workshop.

Keynote Address: The Fourth Industrial Revolution is upon us

The keynote address for the Workshop was given by Dr Florus Prinsloo, Manager of Technical and Vocational Education and Training (TVET) in the Department of the Premier of the Western Cape and in charge of Skills Development as a Game Changer for the Western Cape Provincial Government. He was formerly Technical Advisor on Artisan Training in the National Department of Higher Education and Training (DHET).

Dr Prinsloo discussed the impact that the Fourth Industrial Revolution that is upon us, is going to have on occupations and the skills sets that will be required. He referred us to the World Economic Forum's 2016 publication, *The Future of Jobs*. In its Executive Summary it warns that,

'Today, we are at the beginning of a Fourth Industrial Revolution. Developments in genetics, artificial intelligence, robotics, nanotechnology, 3D printing and biotechnology, to name just a few, are all building on and amplifying one another. This will lay the

³⁶ <http://www.goedgedacht.org/history> Accessed 19 Dec 2016.

³⁷ <http://www.goedgedacht.org/path-out-of-poverty> Accessed 19 Dec 2016.

foundation for a revolution more comprehensive and all-encompassing than anything we have ever seen.

'In many industries and countries, the most in-demand occupations or specialties did not exist 10 or even five years ago, and the pace of change is set to accelerate. By one popular estimate, 65% of children entering primary school today will ultimately end up working in completely new job types that don't yet exist. In such a rapidly evolving employment landscape, the ability to anticipate and prepare for future skills requirements, job content and the aggregate effect on employment is increasingly critical for businesses, governments and individuals in order to fully seize the opportunities presented by these trends—and to mitigate undesirable outcomes.'
(http://www3.weforum.org/docs/WEF_FOJ_Executive_Summary_Jobs.pdf)

The new skills that are in demand in the 21st century require social and emotional learning, combining nerd and social skills, as Dr Prinsloo summed it up humorously. Many of these new jobs are referred to as emotional work as they entail personal communication with customers that require strong control over one's own emotions.

Friday morning, 30 September

The Mandela Initiative

Francis Wilson, Emeritus Professor of Economics, University of Cape Town and Co-ordinator of the Mandela Initiative, provided an overview of the Mandela Initiative.

The Mandela Initiative, is a national process which began effectively with a conference in September 2012 focused on strategies to overcome poverty & inequality in South Africa. Involving academics from different universities as well as officials from all three levels of government plus activists from the NGO world as well as business and trade union participants, the process is reaching out more and more widely. One dimension of this work is contained in a series of "Action Dialogues" which aim to bring together a limited number of people [+/- 25] for 2,3,4 even 5 days to focus on a particular problem with a view to seeking actions that might help to solve it. Professor Wilson outlined what had happened in previous Action Dialogues.

The first five Dialogues or Workshops dealt with the following themes to tackle poverty.

1st Workshop. The Role of Churches.

There are churches of all denominations spread all over the country from remote rural areas to densely populated cities. They could play an important role from ground up in many different ways, such as providing child care for working parents.

2nd Workshop. Reconciliation in Worcester.

Four Afrikaner Resistance Movement (AWB) extremists planted bombs in a shopping centre in Worcester. Four people died in the blasts on Christmas Eve in a shopping mall. Subsequent repentance by one of the bombers and his forgiveness by one of those injured opened the way for a process of reconciliation to deal with the poverty & inequality in the town. Four major needs in the community have been identified: unemployment, education, drug abuse and housing. Four committees have been established to deal with these needs. Workshop 2 serves as 'a perfect action dialogue' example.

3rd and 4th Workshops. Small Scale Agriculture.

These two Workshops focused on small-scale agriculture: first looking at experience from around the country and then, in Hobeni in the Eastern Cape (formerly Transkei) which used to send males to the mines and with almost no agricultural production, but there is land and water to produce food. Hopefully the Action Dialogue will help to stimulate the production of food in home gardens.

5th Workshop. Renewable Energy.

This is a most promising field as the price of solar energy has fallen by 80% in the last 8 years. This fact together with the availability of wind makes renewable energy seriously competitive with either coal or nuclear power. The Council for Scientific and Industrial Research (CSIR) is doing valuable research, but the politics of resistance coming from Eskom and the state has to be dealt with.

The Skills Development for Job Creation Workshop constitutes the 6th such Action Dialogue in the series.

Theme:

Role of National and Provincial Government in Job-Creating Skills Development

Dr Florus Prinsloo first provided an overview of the vision, goals, plans, policies and pitfalls in skills development facing the government at national and provincial levels. He then made a presentation on how the Western Cape Provincial Government was implementing skills development as a game changer in the province. He did so on behalf of Elizabeth Walters, Deputy Director of Skills Development, Department of Economic Development and Tourism, Western Cape Government, who was unavoidably delayed and joined the Workshop later in the day.

Dr Prinsloo gave a PowerPoint presentation that highlighted achievements and weaknesses of the national government's skills development strategy. The achievements are extensive. They include the following institutions:

- 3 national ministries
- 6 public Universities of Technology
- 50 public TVET Colleges
- 52 Community Colleges (pending)
- 446 technical high schools & 470 'Schools of Skill'
- 400 trade test centre
- Statutory regulatory bodies: SAQA, CHE, Umalusi, QCTO, NAMB, SAIVCET
- Levy-grant institutions: National Skills Fund and 21 SETAs.

Programmes on offer are:

- 125 apprenticeships
- ± 800 learnerships
- 19 vocational and 98 occupational programmes in TVET colleges
- 22 occupational programmes in technical high schools
- ± 250 programmes in universities.

Systemic strengths are:

- High priority for government
- High level of accessibility
- Funding
- Some good policies, programmes & institutions

- Openness to change.

Systemic weaknesses are:

- Complexity and instability
- Weak link to industry
- Weak human resources
- Inefficient use of resources
- Quality problems.

There are important changes in the pipeline aimed at extending technical and vocational education and training. One of the many plans is to introduce technical subjects as early as Grade 6 in schools. Another very popular innovation to wet learners' appetites for technical and vocational education has been the introduction of skills competitions for pupils aged 12.

Dr Prinsloo emphasized the importance of apprenticeships for high quality training and pointed out that they do not only apply to mechanical industries, but to others as well such as commerce and services.

Contribution of the Western Cape Provincial Government to Skills Development

Much of the information in this section draws on work done by Elizabeth Walters.

The Western Cape Provincial Government has introduced Game Changers as priority areas where it needs to concentrate its efforts. One of them is the Skills Game Changer. Its goal is to provide sufficient appropriately qualified technical and vocational skilled people to meet the needs of prioritised economic growth areas in the Western Cape. It intends to meet this need by means of appropriate apprenticeships.

The industries the Western Cape Government have prioritised for economic growth are agri-processing, oil and gas, tourism, renewable energy, and ICT and broadband. In each of these industries it has identified 14 to 15 occupations requiring skilled labour that the Skills Game Changer must focus on providing to ensure their economic expansion and employment growth.

In line with this objective, the Work and Skills Programme of the Western Cape Provincial Government has created learning and work placement opportunities for unemployed youth in order to improve the future employment prospects of participants who are between the ages of 18-34 years. This 6 month placement opportunity was coupled with technical and soft skills training in the context of work experience. The Programme placed mostly first time entrants with host companies and offered an exit strategy to learners who successfully complete the programme. For the period 2009 to 2014 a total of 4,065 learners had been trained and placed while 1,938 work opportunities had been facilitated.³⁸ By June 2016 over 7,000 placements had been made across five regions of the Western Cape.³⁹

The Western Cape Provincial Government therefore provides job-creating skills development.

³⁸ Western Cape Provincial Government. 2014. PROGRAMME 7: Skills Development and Innovation.29 August. (Memo)

³⁹ Western Cape Provincial Government. 2016. Work and Skills Programme 2016/17. 20 June. (Presentation)

Theme:

German Contribution to Job-Creating Skills Development in South Africa

Mr Matthias Boddenberg, Chief Executive, Southern African-German Chamber of Commerce and Industry (SAGCCI), gave a presentation on the role that German firms in South Africa have played in promoting and providing skills development. They provide skills development in South Africa akin to the German Dual Education System.

The German Dual Education System derives its name from the fact that trainees receive both theoretical education at school and practical training at work at the same time. There are various models ranging from school in the morning to work in the afternoon, to two months of school followed by four months of practical work at the firm. Attendance at the vocational school is free. Over and above that, the trainees are being paid by the firms where they are working. Their pay is much less than that of qualified artisans, but it still covers their cost of living. About half of the trainees stay on at the companies where they received their training while others prefer to move on to other firms.

In Germany there were 1.4 million students in 2015 receiving technical and vocational education and training in 329 recognised training occupations in Germany. This is possible because there are 6,000 firms in Germany that take in trainees. These firms are based in all the major sectors of the German economy. The result of this system of Dual Education is that there is very low youth unemployment in Germany. The national level of unemployment is 6% while the youth unemployment level is only 8%.

SAGCCI established the South African-German Training Services (SAGTS) in January 2008. SAGTS' main objective is to ensure the effective operation of two training divisions, the Commercial Advancement Training Scheme (CATS) and the Builders Training Centre (BTC) in Soweto. SAGTS is the management company providing strategic marketing, management and performance leadership for the two training divisions and delivers a unique quality skills training experience.

CATS was originally founded by SAGCCI as a section 21 company, and has been operating in South Africa since 1985. Its programme was adapted from the German Dual System. Its 2 year vocational training program leads to certification of competency in Business Administration that is accepted and recognised by the European Union. A second Certificate in Office Administration issued by the SETA FASSET is quality assured by the Institute of Certified Bookkeepers. CATS has produced more than 2000 graduates thus far.

BTC-Soweto is a one-year training project that has been operating successfully since 1992. It is accredited with the Construction Education Training Authority (CETA) and has trained 4000 people thus far. They are employable, but require more on-the-job training.⁴⁰

German commerce and industry in South Africa thus provide job-creating skills development through the work done by CATS and BTC-Soweto, as well as through their companies operating in the country.

Two German firms operating in South Africa that both provide extensive skills training programs were present at the Workshop. They were Mercedes Benz South Africa and Festo. Their presentations followed immediately after Mr Boddenberg's.

⁴⁰ <http://suedafrika.ahk.de/service/south-african-german-training-services-sagts/>

Learning Academy of Mercedes Benz South Africa (MBSA), East London

Ms Kim Smallie, Learning and Development Specialist at the Learning Academy, was the company's representative at the Workshop. She accompanied her talk with a PowerPoint presentation.

MBSA started training its employees in July 1981 when it opened a Technical Training Centre. It provided technical skills for its employees in its East London assembly plant. As the years passed by MBSA started exporting its motor vehicles. In 2016 it was exporting 70 -80% of the C class model it was manufacturing. The need arose for it to provide world class training. In addition, the rapid advancement of automotive technologies, such as robotics and automation, placed significant training demands on the MBSA manufacturing plant and the broader industry around the plant, requiring a continuous upskilling of the workforce.

In August 2014 MBSA commenced constructing a Learning Academy that ended up costing R130 million *in toto*. Initially The Jobs Fund, launched by the Development Bank of South Africa, but taken over by South African Treasury, supported MBSA on a rand for rand basis. R100 million was raised with each of them contributing R50 million. Subsequently the Jobs Fund contributed a further R30 million on condition that MBSA also trains workers in related industries in the region and ensure that they obtain placements thereafter.⁴¹

Ms Smallie's presentation distinguished between three levels of training provided at the Learning Academy. They are shopfloor skills training, apprenticeship technical training, and advanced technology training.

The shopfloor training program lasts for two month and is aimed to prepare unemployed school or college leavers for a job as production workers in a typical manufacturing environment. Learners are given both theory and practical training. Once qualified, all learners are placed into a database and are actively marketed with local manufacturing firms, thereby vastly increasing their employment opportunities. Unemployed learners are paid a stipend for the duration of their training to support transport and meal costs.

The apprenticeship programs span between 3 to 4 years. Most applicants would have attended a technical high school or studied maths and technical subjects at an academic school or TVET college.

There are two streams of apprenticeship. The first is automotive related, where learners choose between an Automotive Electrician and Motor Mechanic. The second is more plant and equipment oriented, where trade options include Millwright, Electrician or Fitter and Turner. As in the case of shopfloor trainees, unemployed learners are paid a stipend for the duration of their training.

In order to provide advanced technologies training the Learning Academy is equipped with a world-class range of technologies to up-skill existing artisans in the fields of robotics, plant automation and metal joining technologies. There are a wide variety of robot cells, from stand-alone robots to those equipped with technologies that include grippers, stud welders and weld-guns (steel-to-steel, steel-to-aluminium or aluminium-to-aluminium).

⁴¹ <http://www.engineeringnews.co.za/article/mercedes-benz-jobs-fund-open-r130m-learning-academy-in-east-london-2016-03-30>

The Mercedes-Benz Learning Academy is both an accredited training provider and trade test centre. It is accredited by the Merseta and as a trade test centre by the Quality Council for Trades and Occupations (QCTO) and the National Artisan Moderating Body (NAMB).⁴²

Ms Smallie explained that the Jobs Fund put an obligation on MBSA Learning Academy to train and place 500 unemployed shopfloor learners on a three-year cycle as well as about 120 apprentices per annum. She said the Learning Academy is currently training 216 shopfloor trainees per year and taking on 50 apprentices every year for 3-4 year overall training. The current number of apprentices at the Academy is 200. In advanced technologies and robotics 520 people had been trained since August 2014 of which 420 had been placed.

The Mercedes Benz South Africa Learning Academy is therefore providing job-creating skills development.

Festo Didactic, Isando

Chris Oliver, Area Manager, Learning Systems of Festo Didactic, held the participants spellbound by revealing what the company invents, produces, and makes available for skills training, not only in South Africa, but across the continent of Africa as well.

Festo is a worldwide provider in automation and technical training and development. It has two business sectors, Automation and Didactic. In the Automation sector it offers products, systems and services surrounding pneumatic and electrical control and drive technology.

In the Didactic sector it is a world-wide leader in the field of industrial education. The learning systems of Festo Didactic are used worldwide by schools and universities as well as industry-wide institutions and companies to train specialists. In the words of Dr Wilfried Stoll, managing partner Festo Holding Company,

'The approaches offered and realised throughout the world by Festo Didactic open up favourable opportunities for further successful development of the states on the African continent. We stand for applied knowing. We concentrate on orientation towards solutions as a process – learning by doing. With customers from 45,000 educational institutions throughout the world, Festo Didactic generates tremendous potential in the field of TVET.' (Stoll, W. Ed. 2016. *Africa: Skills for Progress*. Esslingen: Festo, p.16)

The portfolio of Festo Didactic covers a wide range of equipment – from a modular learning factory to a fully equipped training centre. In terms of content, it covers a wide spectrum including electro-pneumatics, electro-hydraulics, electronics, electrical engineering, sensor technology, robotics, CNC technology, as well as mechatronics. Festo offers courses in these fields in Johannesburg, Durban, Cape Town, Port Elizabeth and Durban at frequent intervals.⁴³

Festo Didactic has over 40 years of experience in the field of training. With around 42,000 people taking part in seminars and training courses every year, it is a worldwide player in industrial training and development. Its certified qualification programme includes mechatronics engineering.⁴⁴

⁴² <http://www.mercedes-benzsa.co.za/mercedes-benz-learning-academy/about.html>

⁴³ https://www.festo.com/rep/en-za_za/assets/pdf/ZA_Festo_Didactic_Courses_January_2016.pdf

⁴⁴ https://www.festo.com/cms/en-za_za/9460.htm

Festo also strongly supports skills competitions among school children as a way of promoting technical and vocational education. To that end it hosted the 2014 WorldSkills Mechatronics finals, the winners of which proceed to the National Finals in Cape Town. Winners of the worldwide National competitions in their respective countries then took part in the International Competition in Brazil in 2015.⁴⁵

Chris Oliver is an enthusiastic supporter and driver of Festo's support of skills competitions for school children. To that end he played a key role in the inaugural East Africa Skills Competition which was initiated by Festo in collaboration with the Vocational Education and Training Authority, Tanzania, the Dar es Salaam Institute of Technology, the Tanzania Commission for Science and Technology, WorldSkills Zambia, and WorldSkills International. The first ever East African Skills Competition was held in the Tanzanian coastal city, Dar es Salaam, in December 2016 and was attended by Chris. The Competition was relatively small but it attracted talent from three countries – Tanzania, Kenya, and Zambia – who competed in Mechatronics, Bricklaying, and Hairdressing.⁴⁶

Festo Didactic is clearly playing an important role in promoting job-creating skills development, not only in South Africa, but also in the African continent.

Theme:

Contributions to Skills Development of the Manufacturing, Engineering and Related Services SETA, MERSETA

Ms Helen Brown, MERSETA Senior Manager: Strategy and Research, provided an insider's insights on some aspects of MERSETA's contribution to skills development.

MERSETA is one of the largest of the 21 SETAs. It encompasses Manufacturing, Engineering and Related Services. The various industrial sectors are covered by five chambers within the SETA. The chambers are divided into Metal and engineering, Auto manufacturing, Motor retail and component manufacturing, Tyre manufacturing, and Plastics industries. Together the five sub-sectors comprise approximately 44,000 companies, with a workforce of approximately 600,000.⁴⁷

According to Ms Brown, MERSETA collects R1.3 billion per year raised from levies on the wage bill of the 44,000 companies. However, small companies falling under the SETA do not try to obtain grants from it as they explain that they cannot deal with all the bureaucracy required. As a result, 80% of the users of MERSETA are large companies.

Ms Brown reported that research conducted by MERSETA in conjunction with University of Bremen found that 100% of large companies, 92% of medium-sized companies, but only 24% of small companies participated in the grant system. However, the irony is that small firms obtain good returns on investment in skills training whereas large firms that extract huge grants do not benefit much in terms of return on investment. Reasons advanced for the better performance of small companies contained in the research reported submitted by Ms Brown are the following:

⁴⁵ <http://www.instrumentation.co.za/50841n>

⁴⁶ <https://www.worldskills.org/media/news/tanzania-hosts-first-east-africa-skills-competition/>

⁴⁷ <http://www.merseta.org.za/AboutUs.aspx>

1. smaller companies do not invest in full-time trainers and rely more on qualified staff and other highly skilled workers to supervise the work of apprentices;
2. smaller companies tend to share training resources more efficiently through cooperative partnerships;
3. smaller companies more commonly rely on three to four year apprenticeships instead of the accelerated training of less than 2.5 years. Recovering the value of skilled labour lie in training during years three and four.

Friday afternoon, 30 September

Theme:

Entrepreneurship and Small Business Training

Michael Bagraim, Practising Managing Partner of Bagraims Attorneys, Member of Parliament, and former President of the Cape Chamber of Commerce and Industry, gave an insightful talk on the job-creating potential of small business entrepreneurship.

Mr Bagraim contended that it is small businesses that create jobs, but that the state places numerous obstacles by means of regulations and labour law in the way of job creation. He metaphorically described the problem as 'the handbrake of the law' and the challenge is to get the handbrake released. He said that he had hit a brick wall in this regard on Parliament's Labour Portfolio Committee.

He also regards minimum wages as a handbrake on job creation and maintains that trade unions hold the view that 'no job is better than a bad job'.

What is required, Mr Bagraim stated, is to free up small businesses and create an entrepreneurial culture in South Africa as is the case in Israel where school children already want to run their own businesses.

Educating and training youth for small business entrepreneurship

Steve Reid, False Bay TVET College, Westlake Campus, provided an enlightening presentation on what he was achieving in training and engaging young learners in entrepreneurship.

As background, False Bay College is one of six TVET Colleges in the Western Cape. It has five campuses located in Muizenberg, Westlake, Khayelitsha, Mitchell's Plain and Fish Hoek. It has 10,000-11,000 students on average and offers the following courses (the number in brackets refers to the number of courses offered):

- Business studies (6)
- Engineering studies (15)
- Hospitality & Tourism (6)
- Information Technology (4)
- Education Studies (2)
- Yacht & Boat Building Academy (1)
- Security & Safety (1)
- 2D Animation(1)

Engineering and Boat building comprises a large focus area within the 36 courses offered. Engineering offers courses ranging from electrical engineering, plumbing, motor repairs, metal fabrication and fitting.

False Bay College is unique in offering entrepreneurship as a strategic focus with three exit opportunities. These are further studies, employment and self-employment as career choices.

It is the only College that has established a Centre for Entrepreneurship (CFE) which opened its doors in March 2015 and a Rapid Incubator Project that was launched in November 2016. The Rapid Incubation hub has two mini-factories flanking an innovation hub. The industries chosen for the manufacturing mini factory are Engineering (inclusive of metal fabrication) and Furniture making/wood products.

The CFE program runs for 3 years and the Rapid Incubation hub one for 18 months. Both go through pre-incubation; to incubation and conclude with post incubation. In the post incubation phase, monitoring and evaluation will occur to reduce the high attrition rates of start-ups as it can act as a deterrent to starting down the entrepreneurial road.

The mind set of most students is that of a job seeker, rather than that of a job creator. An inordinate amount of energy, innovative thinking and commitment is required to help shift selected students towards seeing entrepreneurship as desirable. An aim of the CFE is thus to 'disrupt' the thinking and perspective of young people at tertiary institutions to open their thinking and orientation to pursuing entrepreneurship as a career. The ways in which this is done is through competitions, events and exposure to successful entrepreneurs.

In 2016 the CFE achieved the following.

- 30 students undergone selection
- 6 went through core workshops
- 10 additional SMME's joined 5 students in specialist workshops
- 30 informal traders were trained through the CFE.

In 2017 it intends to create 30 general businesses and 20 within manufacturing. This ambitious target could mean the generation of up to 200 -250 jobs (1-4 ratio).

The CFE and Rapid Incubation Hub are therefore playing an important role in job-creating entrepreneurial skills development.

Theme:

Requirements for Extensive and Sustainable Skills Development for Job Creation

Gill Connellan is a person with wide-ranging work experience related to skills development and job creation. Her extensive experience qualifies her extremely well to spell out some of the key requirements for job-creating skills development to be sustainable. This section of the Report first describes Ms Connellan's extensive experience in the field of skills development and the organisations with which she has worked. Doing so provides a valuable view on other job-creating projects in the country. This is followed by a summary of the main points she made at the Workshop.

Ms Connellan has been Chairperson of the Association for Skills Development in South Africa (ASDSA) since 2003, CEO of Eclipse Skillmatters (Pty) Ltd since 2005, and former Managing Director (March 2012 – March 2014) of The Communiversity based in Vrygrond.

ASDSA is a Section 21 company that represents skills development practitioners and skills development administrators, including facilitators, assessors, moderators and training providers.⁴⁸ It is a SAQA recognised Professional Body that develops occupational competence standards and professional designations for the competencies.⁴⁹ "Professional designation" means a title or status conferred by a professional body in recognition of a person's expertise and/or right to practice in an occupational field. Designations awarded by ASDSA include skills development technician, practitioner or master.

Eclipse Skillmatters is a small enterprise situated in the Western Cape with Associates in most of the provinces in SA. It specialises in performance, enterprise and performance excellence and development with a strong focus on project management of learnerships, and a particular emphasis on community development for entrepreneurs.

The Communiversity is a community based vocational college in Vrygrond, a socially and economically disadvantaged community of some 10,000 men, women and children, situated near Muizenberg, on the False Bay coast about 20 kilometres from central Cape Town.⁵⁰ The Communiversity's aim has been to build useful skills to prepare the youth for workplace experience or entry into further education. A primary focus is developing self-awareness and self-confidence in the young people to a point where they become achievement oriented. Since the Communiversity opened its doors in Vrygrond in 2012, nearly 200 young people have graduated with new skills, ranging from maths to first aid and food gardening. Graduates have found jobs in a range of companies, from retail to restaurants, and in government.⁵¹

In addition, Ms Connellan's wide-ranging work experience has included management of learnership projects, especially community projects in the New Venture Creation project.

The New Venture Creation Learnership is a 12 month practical and theoretical training programme. Seventy per cent of the learnership is based on the practical component and thirty per cent on the theoretical component. Its purpose is to provide aspiring entrepreneurs in the small, medium and micro enterprise (SMME) sector with the technical, business, managerial and personal skills to create and sustain a business. The qualification is part of the National Qualification Framework (NQF) and is available to individuals who do not have formal training and are working in, or wish to work in or manage a SMME business. The formal name of the qualification is, National Certificate: New Venture Creation (SMME) NQF Level 4. The parties involved in this process are the Services SETA, the employer (a Services SETA levy paying member company), the learners (either unemployed or employed), and the training provider.⁵² No assessment of the outcomes thus far of the project could be found.

Ms Connolly made three main points at the Workshop. The first point was that business needs to work closely with the government and education authorities and vice versa. In other words, there needs to be a close partnership between them.

⁴⁸ <http://www.asdsa.org.za/about/>

⁴⁹ <https://za.linkedin.com/in/gillian-connellan-438b428>

⁵⁰ <http://www.dreamstoreality.co.za/vrygrond-the-capes-oldest-informal-settlement/>

⁵¹ http://www.groundup.org.za/article/vrygrond-communiversity-offering-young-people-choice_3502/

⁵² <http://www.skillsplus.co.za/new-venture-creation/>

Her second point was that the public school system was not meeting the needs for the country's skill requirements. For the six years up to 2015 she stated that only 20% of all the matric (Grade 12 school leaving) mathematics learners and 22% of physical science learners obtained above a 50% mark while only 12% and 13% respectively obtained above a 60% mark in the final exams.

Her third point was that the growth and sustainability of the economy, and hence employment, could not rely on merely the minimum level of skills required for occupations, but also on the continuing professional development of every single employee in an organisation. Even though SAQA has already recognised 90 professional bodies, the country does not fully appreciate the role that they play in the economy by ensuring that standards are met and steadily maintained and improved.

Ms Connellan's extensive experience and insights thus contributed to linking and integrating different aspects with which the Workshop was dealing.

Theme:

Initiatives that Create Youth Employment and Human Resource Development

Intermediaries in the youth labour market internationally

Professor Andre Kraak, Researching Education and Labour (REAL) Centre, University of the Witwatersrand, gave a presentation in which he examined how intermediaries could play a positive role in enabling young first-time workseekers obtain and retain employment. He did so by looking at international best practice, drawing mainly on the United States of America (USA), but also the United Kingdom (UK).

Usually employers have a pejorative view of young people. So how do young people, especially those with lower skills and no work experience, find employment? It is done by means of workforce intermediaries (WIs); Professor Kraak explained that it is done by building coalition networks.

Firms rarely innovate in isolation, but typically do so in the process of interacting with a wide range of other organizations. This inter-organizational communication across firms and other institutions is built largely through firm participation in social networks. WIs work in this 'network' mode alongside employers – they bring together employers and workers, education and training institutions, and private and public funding streams to upskill and employ low-skill marginalised workers. They attempt to change employer demand in ways which reduce inefficiencies and inequalities in wages, benefits, job security and advancement.

This technique thus works on the 'demand-side' that reshapes employers' demand for skills. Through interventions it reshapes employers' need for higher level skills and the better utilization of newly acquired skills in the workforce.

The process of connecting actors previously unconnected to each other is called 'brokerage'. Brokers are able to provide solution to problems bedevilling the interfaces between groups. They help resources, information, opportunities, and knowledge flow across gaps. Key outcomes of brokerage are often employment creation for entry level workers and skills development.

Professor Kraak held up American Local Workforce Investment Boards (LWIBs) as the global best practice. There are over 600 LWIBs and 3,000 one-stop shops which provide a range of employment and social services. They operate in decentralised settings where local governing boards have more power.

LWIBs do not train. Their purpose is purely to develop positive working relationships and partnerships. For training provision, the LWIBs typically use community colleges, secondary schools, and private companies.

What the LWIBs do is provide labour market information, conduct outreach, integrate employer needs into training strategies, broker relationships around job opportunities, and make services easier to access.

The benefits of intermediaries are considerable. Job retention is a key focus of WIs. This is done by means of after-care which entails significant career and personal counselling after initial employment take-up. After care entails tracing the progress of trainees after placement, along with mentoring and advising on how to manage one's budget.

It is clear that WIs could be of great assistance in facilitating the youths' first time entry into employment. South Africa has some organisations that tend to play similar roles, but in different ways. Two of them were invited to the Workshop to share what they do with us. They are Harambee and Chrysalis Academy.

Harambee: A model for accelerating youth employment

Tammy Chetty, Harambee Executive, Western Cape, provided the Workshop with a good overview of what Harambee does.

Harambee has connections with over 200 employers and helps them to find jobs for first time work seekers. It responds to demand and is data driven, but adaptable to what is happening in the market.

Employers do not just employ the first person who comes along and it costs them to hunt for appropriate people. This is where Harambee enters the picture. The process that is followed usually goes through the following stages.

1. It is demand-led in terms of finding out what it is that employers want. Harambee goes through a diagnostic process with the employer.
2. Harambee then sets about sourcing the people by finding access to a new labour pool the employer has not tapped before. It conducts its search in disadvantaged communities, looking for first time job seekers. The labour pool needs to be close to work as cost and time spent on travel are important factors. Harambee tries to find a location where it would take only one taxi ride or one bus ride or one train ride from the job.
3. Matching prospective employees with the employer takes place next. Harambee assesses the potential of each person, exploring the behavioural attributes and competence of each one as it is important to match the person with the demands of the job.
- 4 The next step is to 'bridge' the selected work seekers. This process involves making sure that they are fit for purpose and ready for work by building up their competence and behavioural attributes.

Harambee provides a lot of support for employers who do not know how to support the first-time employees.

5. In addition Harambee provides work seekers with support. It assesses their potential and tries to enable them to generate entrepreneurial income for themselves by, for instance, social franchises and opportunities to team up with others. It provides them with digital citizenship.

Furthermore, it helps work seekers explore what else they can do and to recognise and acknowledge skills they did not think they had and to put these on their CVs. They also encourage work seekers to accept short-term work so that they do not become discouraged workers, and to work as volunteers for the sake of the experience they gain and opportunities this may present.

Harambee has thus far helped to place over 30,000 work seekers in jobs. It has been on a five year journey. In the first year it placed 400 people, in the second 1,500. By the middle of the third year it had placed 5,000 and another 5,000 by the end of the year. The figure has now become steady at about 10,000 a year. It has also worked personally with 250,000 young people.

Harambee started working for Nando's and four other firms. Now it serves more than 280 employers, most of them corporates with brand names such as Pick n Pay, McDonalds, KFC, Tsogo Sun, Sasol, King Pie, Woolworths, Nedbank, Spier, CAT, Group Five, and others.

Although there is no mention by Ms Chetty that Harambee seeks to influence employers' demand, it is clear that they are finding work for first-time work seekers from disadvantaged communities and gets them work-ready. Although work readiness is not skills training, it does impart much needed 'soft skills' to work seekers. Harambee is thus playing a major role in creating jobs for lower-skilled youths.

Chrysalis Academy unleashing potential through holistic human development

Lucille Meyer, Chrysalis Academy CEO, provided an excellent overview of the work that Chrysalis Academy does. It is clear that Chrysalis helps to prepare young people holistically with mindfulness to put them on a path to employment and a career. Ms Meyer's account of Chrysalis Academy is reproduced in full below.

INTRODUCTION OF THE CHRYSALIS ACADEMY

Lucille Meyer, Chrysalis Academy CEO.

The Chrysalis Academy (CA) was set up in 1999 by the Provincial Cabinet as a Social Crime Prevention Programme. The programme is currently aimed at youth between the ages of 18 and 25 with a minimum Grade 9 certification, no criminal record and who are currently neither in *employment, education nor training*. Since the year 2000, more than 8,000 youth have graduated with large numbers now in employment, studying or doing socially responsive work in their communities. Selection is done through an intensive process of application and a screening which involves a face to face interview. The CA targets youth from across the Western Cape.

VISION

To become the leading Academy for Youth Development in the Republic of South Africa

MISSION

To unleash the potential of youth through mental, physical, emotional and spiritual empowerment, enabling them to become positive role models and productive citizens of the Republic of South Africa

The CA predominantly focuses on building personal mastery to enable youth not only to cope with their current realities but to transcend them in positive, creative and uplifting ways to the point of evolving into positive change agents within their communities. A key feature of personal mastery is the ability to connect with self and others in a positive and meaningful way.

The CA's strategy comprises the following overlapping areas:-

- **Contributing towards building social capital by implementing high quality outcomes based training and development opportunities**

This strategic area is aimed at assisting youth to develop physically, mentally, emotionally and spiritually through the three month residential programme. It comprises a number of phases aimed at enabling students to acquire skills to build their resilience and personal mastery. The programme is aimed at assisting students to re-enter the formal learning system such as schools or TVET colleges, higher education institutions, or become more employable through ongoing vocational training or simply to become active citizens in their communities engaged in positive, uplifting and constructive activities. Apart from the various skills training, a strong focus is placed on aptitude testing, career guidance and partnerships with various companies in the private sector, TVET colleges and government departments, with the purpose of accessing internships, learnerships and further education and training opportunities, in recognition that education is the foundation of a sustainable future.

The phases are as follows:

3 weeks of Orientation;

2 weeks of Outdoor training (deepening personal mastery and environmental awareness);

4 weeks of Vocational training (such as firefighting, basic cookery, welding, electrical circuitry);

2 weeks of Community phase (aimed at preparing students for the workplace)

1 week preparing for Exit

- **Promoting social inclusion and a culture of active citizenship**

Young people who are neither in employment, nor education and training are by implication trapped in a cycle of disadvantage and exclusion. Hence, the value of a developmental approach that seeks to unleash potential, provide career direction and which centres on enabling students to re-enter the formal education system. In addition to the 3 month course, the CA provides an after care service which includes counselling, career guidance and a nine month work placement immediately after graduation.

Our work also involves convening workshops with families of students to promote caring and functioning families in recognition that families are the basic building blocks of society. Families that function more effectively and are more caring are also largely more prone to being active citizens in their communities. At least three workshops with families are held during each course aimed at building effective parenting skills, interpersonal communication and to explore ways to support and encourage the positive transformation in the students.

Friday evening, 30 November

Theme:

Job-Creating Skills Development in the Eastern Cape

The Job-Creating Skills Development Project of the Anglican Diocese of Grahamstown Development Trust

Reverend Bubele Mfenyana, Executive Trustee of Development Fund, provided a most valuable summary of the origins and role of the Trust in creating jobs through skills development. A slightly shortened version of it is presented below.

Reverend Bubele Mfenyana, Executive Trustee of Development Trust.

BACKGROUND:

In 2013 the Anglican Bishop's Synod took a Resolution which set education as a pastoral priority. The reasoning behind is that government alone cannot achieve the goals set out in the NSDS III. Society should take interest and play a role in realising these goals. All Anglican Churches were encouraged to participate in all education and training initiatives. The Archbishop of Cape Town is one of the leaders of the Progressive Education Movement and takes education and training seriously. After that resolution the Diocese of Grahamstown established an education desk.

The Diocese of Grahamstown, under Bishop Ebenezer Ntlali, undertook a strategic and intensive review of its capacity to meet its Objectives in support of its Vision. The Vision is: That all may know the love of God in Jesus Christ through the power of the Holy Spirit. That love is all encompassing and places a challenge to God's church as it exist in the midst of suffering and pain. The footnote of the Letterhead of the Bishop, in summary, says that God has no eyes, ears, hands and feet. We are expected to be all of that to His people. This was taken from Mother Teresa de Avilla. The key question posed by the Bishop in 2010 to the Synod was: How does God's church respond to the serious challenges facing His people? Is it enough to preach and send out?

The Diocese conducted a snap survey of households with an intention of understanding some of the challenges faced by members. We also wanted to know what the households had in terms of education and employment. We discovered that about 35% have children that have completed their studies but are staying at home. 18% of these children studied at TVET colleges, completed N6 but have not done the 18 months so as to get their diplomas. 31% had incomplete degrees and diplomas. There were a number of children who did not have matric.

Our observation was that some of those that stayed at home with very little or nothing to do, engaged in anti-social activities including substance abuse and crime. This forced the Diocese to find ways and means of addressing these challenges.

Synod resolved and embraced a Plan of Action that would see the church working actively amongst God's people. The next challenge was how. The resolution was that judging by the economic climate prevalent at that stage there was no way we could depend on the giving of members. Most of them had been affected by the economic downturn. The resolution was that a vehicle that would mobilise financial resources from Government, Private Sector and other donors should be established. In 2011 it was conceptualised and then canvassed among the other legal structures of the church. Finally it was established as the Diocese of Grahamstown Development Trust. It was also registered as a Non-profit Organisation. We also applied for Tax Exemption and we were granted that status.

There are 4 Key Objectives of the Trust. One of them says:

Community development the primary focus of which will be the poor and needy persons and anti-poverty initiatives including: The promotion of community-based projects relating to self-help, empowerment, capacity-building and skills Development. Provision of training, support and assistance to community-based projects.

It is this Objective that we activated in 2014. This was prompted by a belief that there are opportunities for organisations like ours to assist in the Skills Development project as a strategic lever for the growth of our economy and dealing with the challenges of poverty and unemployment.

SKILLS DEVELOPMENT

The Trust looked at the National Development Plan and the NSDS III and found that there is a role that the church could play in Skills Development. This was also prompted by a Provincial synod resolution which resolved to focus on Education and Training. This resolution covers the 6 countries of the Southern Africa viz South Africa, Lesotho, Swaziland, St Helena, Mozambique, and Namibia.

Our Diocese established a Department of Education and Training. The Development Trust was also requested to use its legal instruments to mobilise funds for Education and Training.

HEALTH AND WELFARE SETA

In exploring opportunities, we found this SETA to be catering for some of the needs of the church in general. We registered with them and we got a T-number. We had to register a Skills Development Facilitator, which we did. The next step was to put together a Workplace Skills Plan. Its main focus was on the empowerment of the 'Permanent employees' of the church. These include Clergy and administrative staff. Once our WSP was approved we were now part of the SETA and we could now respond to their Expression of Interest advertisements. In July

2015 we responded to the EOI and in September 2015 we received letters of approval and allocation.

We were approved for 34 Learnerships viz FETC: Social Auxiliary Work, FETC: Child and Youth Care, FETC: Public Awareness and Dreaded Diseases & HIV/AIDS.

We were also approved for 33 TVET Learnerships, 3 Social Work Interns, 2 bursaries and 45 Skills Programme for the employees. These were divided into Basic Financial Skills, Counselling, Basic Computer Training and understanding financial records. The last one is accredited.

The reason for focusing mainly on TVET learners is to align ourselves with the Minister of Education's intention to change the perception that these colleges provide inferior education and are only meant for those who cannot cope with mainstream curriculum. It is only when people see these children completing their qualifications, getting jobs and creating jobs that we shall see a change in perceptions.

The bursaries were allocated for Theological Studies.

The aim of the church is to use skills development as a tool for job creation. We are aware that participation of these young people in these programmes does not guarantee them employment. During our orientation we made it clear that this is the first step towards getting a job. The TVET learners and the Interns were encouraged to form networks which might lead to partnerships. Our view of employment is both being an employee and being an employer. Our government is promoting SMMEs. Young people stand a better chance of being assisted in forming co-operatives or opening companies.

We entered into an agreement with each employer and learner. This is to ensure that learners are well catered for at the workplace. A mentor had to be identified and a programme had to be agreed upon. These are safeguards as these learners, sometimes, are seen as messengers and typists. Quarterly reports are submitted by the employer indicating progress and also raising whatever challenges they are encountering. 33 learners are placed in different sections of the Department of Rural Development. This is according to their fields of study. Of the 33 learners one has dropped out. The Department is very happy to have these learners and they have indicated, even at this early stage, that they have earmarked about 10 of them for possible employment. These are mainly those in Finance and Engineering.

The Interns are also doing very well. One of the interventions we make is sessions with them that focus on soft skills like etiquette, dress code, ethics and loyalty. We believe that these are essential in any work place as they can be the deciding factor when it comes to employment. We are, currently, engaging with Eastern Cape Development Corporation and other institutions that promote entrepreneurship with the aim of assisting those who might not be employed at the end of their time.

NATIONAL SKILLS FUND

On the 2 December 2015 we attended a National Skills Fund presentation in East London. We were encouraged to apply and we did so. Their programme is a Graduate and Student Placement Programme. This programme is Government's response to the Skills Development challenge faced by our country. They have programmes that target people who have completed their qualifications but need work experience. They stipulated the type of organisations that would be eligible for funding. These were:

- Industry/private companies (excluding government departments)
- Municipalities;
- Private Training Providers;
- Professional bodies;
- Public entities and;
- Non-profit organisations.

Having been exposed to the magnitude of the challenge we decided to participate. We had a Database of 812 people who had applied for the SETA programme but could not be placed. 90% of those came from the Eastern Cape with 20% having completed 5 years ago have not had work experience or employment. Most of them had completed their studies in the TVET colleges and Private Colleges in the Eastern Cape.

We applied for 800 placements. The officials came to the Eastern Cape to do Due Diligence at our offices In Grahamstown. We received an email informing us that we had been approved for 270 placements. This meant having to revise our Proposal and Cash flow. The categories that we are participating in are: TVET learners with N6 (196), Graduates from Universities of Technology (UoT) (33), Mainstream University graduates (23) and Professionals (22). The total amount is R21, 4million over 30 months.

The TVET will be placed for 18 months with different employers, UoT and other graduates will be placed for 12months. Professionals are given a maximum period of 24 months. The Trust has found Employers for all 274 and we shall be signing Memoranda of Understanding with the employers. The important thing about this programme is that you can increase your number of placements through interest and savings. Organisations, for the first time, are allowed to open interest-bearing accounts. With that interest you can increase your placements. There is also flexibility in selecting the programme one wants to focus on. Once an amount has been allocated you can decide to focus on TVET, UoT and other graduates or Professionals. What that does is that if you focus on TVET learners you can significantly increase your numbers as their stipends are less than the graduates and Professionals. It also becomes interesting when it comes to Mainstream University graduates. They do not have Registration costs and other demands like TVET and Professionals. This means you can use that money to bring in more learners.

Our focus for Professionals have been LLB graduates. Our attempt to get accounting firms on board did not succeed as they have stringent requirements for children wanting to be Chartered Accountants.

The programme will kick-off from the 1 October 2016 ending in September 2018. We shall use the remaining time for audit and close-up reports.

CONCLUSION

We are grateful, as a church, to have an opportunity to participate in these programmes. It is our belief that together we can assist our young people by occupying them with programmes that can change their lives. It is our intention to grow this programme until we have ensured that no child is staying at home with incomplete qualifications. Those who have completed will be afforded an opportunity to gain work experience. We call ourselves 'abakhwezeli'. This

comes from our culture where people ensure that the fire keeps burning. They are the catalysts between the fire and the pot. We believe that God wants us to play this role of ensuring that our young people are brought closer to the 'fire'. That distance from the fire leads to despair as the fire of self-esteem is extinguished.

This is our humble contribution to this massive effort to address a major challenge facing our country. Thank you.

The role of Lovedale TVET College

Luvuyo Ngubelanga, Principal of Lovedale TVET College, commenced with a brief history of Lovedale before providing an exposition of the role and initiatives taking place at the College.

Lovedale started as a mission station in 1824, on the Tyume River in Alice. John Bennie of the Glasgow Missionary Society of Scotland founded Lovedale through the influence of Dr John Love, after whom it was named. In 1838 a small dwelling and church school were established at the mission station and by 1838 the school had 132 pupils.

The institution concentrated on "industrial" training at first, namely agriculture, masonry, carpentry, blacksmithing, and wagon making. In 1861 the trade of printing and bookmaking was also introduced, becoming the forerunner to the well-known Lovedale Press. Agriculture was established with the building of a canal in 1939 from the Tyume River to irrigate the rich soils. This canal still exists on the site.

The first principal was Rev. William Govan, after whom Govan Mbeki, former leader of the African National Congress, was named. The Rev. William Govan died on 4 November 1875. Rev. Dr James Stewart followed him as principal. Stewart brought a whole new approach to education. Govan believed that Black people could best be elevated by the higher education of a few, whilst Stewart believed in the education of many.

The year 1955 was the last year of missionary control of Lovedale, as it became a state institution through the Bantu Education Act of 1952.

Some of the better known figures who studied at Lovedale are:

- former president of South Africa, Thabo Mbeki
- former Premier of the Eastern Cape, Ms Nosimo Balindlela
- Z.K. Mathews
- George M Theal, a well-known historian
- Rev. Tiyo Soga, well known for his Xhosa hymns and the translation of the Bible into Xhosa
- John Knox Bokwe, a well-known minister of religion and musician
- Steve Biko, political activist, leader Black Consciousness Movement,
- Chris Hani, former leader of the South African Communist Party.

Lovedale continued as an educational institution under various government education departments until it was closed in 1979 by the former Ciskei Government. After realising the importance of the rich history of Lovedale, the same Ciskei government which closed the institution reopened it as a college for continuing education.⁵³

⁵³ <http://www.lovedalecollege.co.za/history.php>

Under Mr Ngubelanga as principal, Lovedale TVET College has struggled to obtain adequate funds to run the College properly. To deal with the shortage of funds Mr Ngubelanga has established innovative and useful partnerships. It has established partnerships with the Department of Rural Development and Land Reform and the ETDP SETA to training 50 disabled learners, some of whom are blind or deaf. It is also engaged in a project with the BANKSETA for an International Accounting Technician qualification, a New Venture Partnership with a Business School through the Services SETA, and a partnership with the DTI to support SMMEs as well as numerous municipalities and the Office of the Premier of the Eastern Cape.

Lovedale College now receives funds from the National Skills Fund.

Future plans include taking water learnerships forward as well as agriculture with agri-processing. Mr Ngubelanga also wants to introduce courses in computers, greening the environment and early childhood development.

It is clear that Lovedale TVET College is playing a very important role in providing skills and employment opportunities in a relatively poor area in the Eastern Cape.

The Production Management Institute in the Eastern Cape

Caron Foster, Lead Facilitator and Project Manager, provided the following valuable overview of the PMI and the role it is playing.

1. Introduction to PMI

As a leading provider of human capital development solutions in Southern Africa, PMI is committed to positively impacting skills development and productivity of our clients by ensuring appropriate training, leading to clear returns on investment. In so doing, our strategic solutions, services and training play an active part in the national government's priority to address the national skills inequalities.

We are committed to developing, facilitating and managing solutions that deliver long-term value to their organisations through the strategic skills development of their potential and current staff. Our clients experience improvement in staff recruitment, performance and retention at all levels.

1.1. Accreditation

PMI is registered as a Private Higher Education Institution (Registration Number 2000/HE07/011) with the Department of Higher Education and Training (DHET).

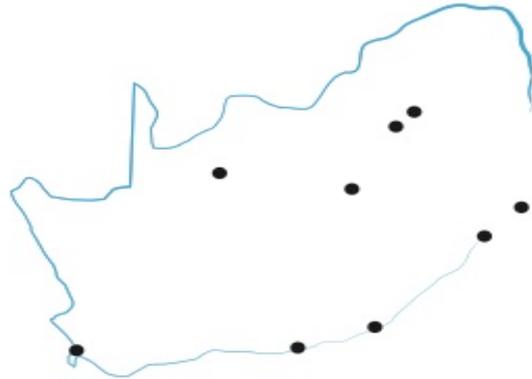
PMI is accredited by the Council on Higher Education (CHE), and our higher education qualifications are credit bearing, National Qualifications Framework (NQF) aligned and registered with the South African Qualifications Authority (SAQA).

PMI is accredited to provide qualifications and skills programmes across a range of SETA's: AgriSETA; MerSETA; MQA; W & R SETA; Bank SETA; Services SETA; TETA; FoodBev SETA and ETDP SETA.

1.2. Infrastructure

PMI has delivery capacity in all major centres across South Africa, including: Gauteng; KZN; Western Cape; Eastern Cape; Northern Cape and Free State.

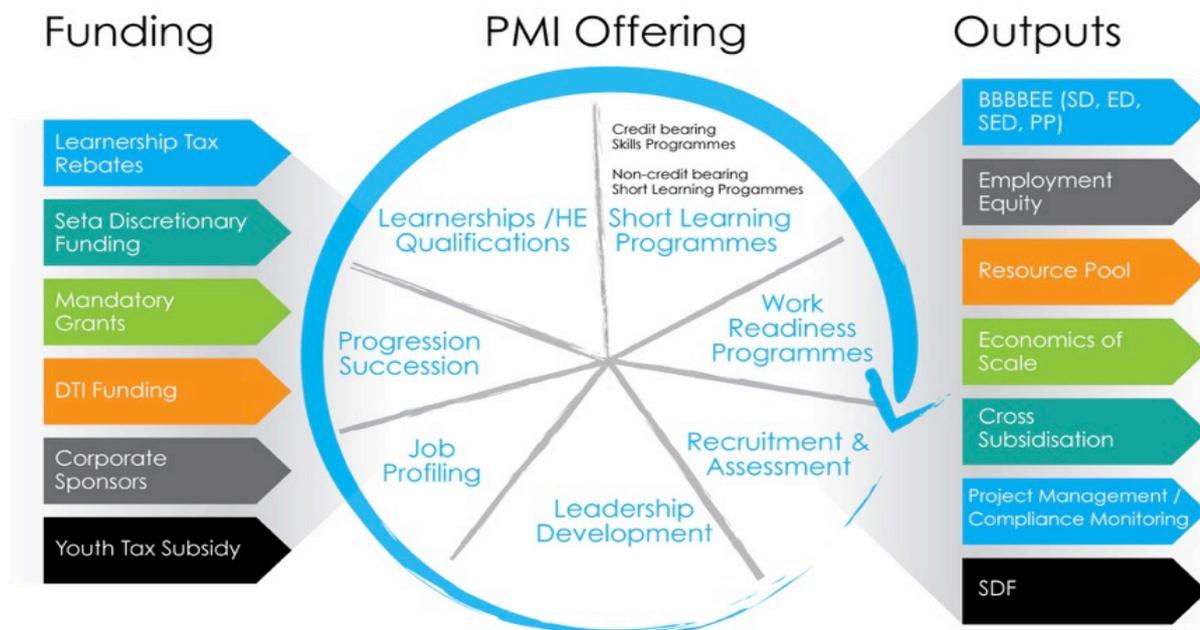
PMI has successfully delivered training in the following African countries: Angola; Botswana; Burkina Faso; Ghana; Malawi; Mozambique; Namibia; Sierra Leone; Zambia and Zimbabwe.



1.4. Services

PMI's comprehensive range of services includes:

- Higher Education and training – Qualifications and Short Learning Programmes
- FET and GET – Learnerships, Skills Programmes and Short Learning Programmes
- Mining, Engineering and Construction Training
- Work Readiness – job simulation training
- Disability Solutions
- Human Resource Consulting
- Social Development Projects



1.6. Our offering

Our methodology involves stakeholder engagement from the onset to ensure the solutions proposed are aligned to the key objective of the private, public or non-profit organisation and are measurable against these. The following outlines our holistic offering:

1.7. Our process

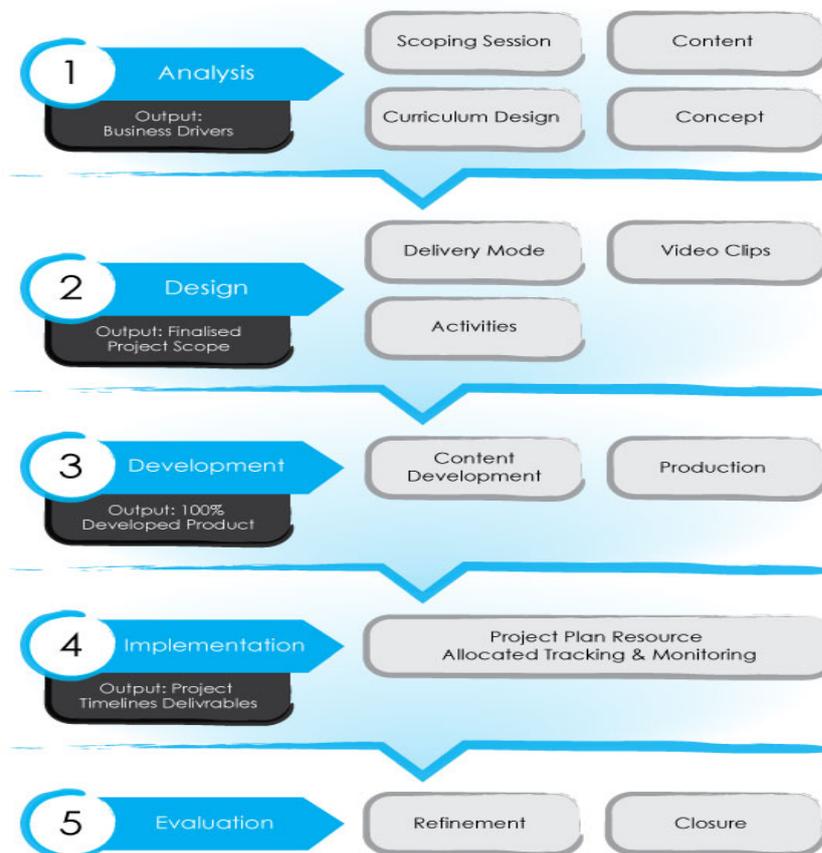
PMI's Learning Development Process is underpinned by the ADDIE principle: Analysis, Design, Development, Implementation and Evaluation.

Analysis

The purpose of this phase is to ensure that the learning programme being developed is comprehensive and takes a holistic view of the job role and skills required to fulfil it. The key focus for PMI is to understand the outputs required for the training intervention as this determines learning outcomes. This would typically involve research of the key result areas linked to the roles identified for training purposes. These are then inputted into our bespoke talent management system to align the job profile to a competency profile and in turn, align this to specific unit standards or a full qualification.

Design

This phase is used to finalise development; for e-learning, an authoring tool is used in collaboration with our e-learning partner, for Learnership delivery, we review the degree of customisation required linked to the outcome of the analysis phase.



Development

This phase focuses on the development of content in line with the key requirements identified in the analysis phase, as well as the packaging and can be client-customised if required. Training material can be packaged in various ways dependent on the mode of delivery and target audience.

Implementation

This phase includes planning, contracting, project monitoring, execution and reporting. PMI resources will be allocated to support the project in its entirety.

Evaluation

This phase includes a project de-briefing to review attainment of client and project objectives as outlined in phase one.

End of Ms Foster's overview.

At the Workshop she shared information on what the PMI is doing in the Eastern Cape that promotes job creation through skills development. It has a number of projects running. These are:

- Animal production with BKB;
- Crop production with Humansdorp Co-operative;
- Aquaculture by partnering with an abalone farm;
- New Venture Creation with Services SETA targeting unemployed youth living in rural Eastern Cape. The SETA funded learnerships for 300 youths.

It is thus clear that PMI is playing an important role in helping to create jobs by means of skills development, not only in the Eastern Cape, but across the country and the African continent.

Saturday morning, 1 October

Theme:

Job-Creating Skills Development by Trade Unions and Bargaining Councils

Zenzeleni: The clothing factory started by a trade union

Johann Maree, Emeritus Professor of Sociology, University of Cape Town, gave a very brief account of the job-creating role that SACTWU, the South African Clothing and Textile Workers' Union, has played in creating jobs, a task that also required the training of the workers they employed.

SACTWU has a bad reputation amongst employers and some academics as a job destroyer, Especially in Newcastle with Chinese-owned clothing factories where it has insisted on compliance with the minimum wages negotiated on the National Bargaining Council for Clothing Manufacturing Industry.

But that is not the full story, it has also been, and still is a job-creator. This is best illustrated by the story of Zenzeleni.

The story is told by Johnny Copelyn, former trade unionist and Member of Parliament, now CEO of HCI and a multi-millionaire, in his book, *Maverick Insider: A Struggle for Union Independence in a time of National Liberation*.

In the early 1980s the Frame Group was intent on closing down one of its textile plants in New Germany, Durban that employed 300 workers. Due to new labour legislation, it had to negotiate the closure with the National Union of Textile Workers (NUTW) of which Copelyn was the general secretary at the time. The NUTW merged with other unions later on and became SACTWU. The union proposed that the plant be converted into a clothing factory making overalls for workers. Frame refused, but negotiated an agreement that the NUTW would purchase the plant and produce clothes, which it did. The union called the factory, Zenzeleni, which means 'we do it ourselves'.

The union struggled to run the factory as it was on a sharp learning curve and had to deal with the unusual situation that it owned the factory where its members were working. It even had to deal with a strike by the workers.

Nevertheless, 30 years later Zenzeleni survived and has opened another plant in Hammersdale. It now employs 450 workers.

In addition to Zenzeleni, HCI also rescued Seardel and, in so doing saved hundreds of jobs.

It also provides benefits for its members and scholarships for their children in order to receive a sound education and improve their lives.

This example demonstrates that trade unions have the orientation and capacity to not only preserve existing jobs, but to create additional employment and provide the necessary training.

Role of the National Bargaining Council for Clothing Manufacturing Industry

Steady Mukondiwa, Director of Bargaining Council's Productivity and Training Institute, submitted the following report on the innovative role that the NBCCMI is playing in preserving jobs in the clothing industry by striving to enhance clothing firms' productivity and the skills of its employees.

The Role of the National Bargaining Council for Clothing Manufacturing Industry's Productivity and Training Institute in Job Creation Skills Development

Since late 1990s after the dissolution of the Clothing Industry Training Board (CITB), there had been growing demand to establish an institute to focus on training and productivity in the industry. In the 2011/2012 negotiations, the parties (i.e. labour and employers) agreed to establish the Productivity and Training Institute (PTI) owing to growing number of factories closing and facing survival threatening challenges. The chosen operating model for the Productivity Institute is to work with the existing service providers, training institutions, institution of higher learning, developmental oriented non-governmental organisations and key government departments to improve overall clothing industry productivity. The Institute started operating mid-April 2016.

The purpose of the Institute is to implement:

1. Targeted training to improve employee skills, creating ability to produce more garments faster.

2. Development of training initiatives that would target the relationship between manufacturers and retailers to address supply chain management.
3. Training and manufacturing systems that would reduce unit cost of garments to allow the capability to compete globally.
4. Training to improve quality of garments to allow firms to compete globally.
5. Assist in identifying and driving industry growth and employment creation interventions.
6. Research for the industry to influence strategic direction with focus towards productivity improvement and sustainable industry growth.

From the late 1990s the clothing industry has gradually lost a greater part of its market share to cheaper imports as trade liberalisation globally picked momentum after the country joined WTO in 1994 (Salinger *et al.*, 1999). From an employment of about 100000 in 2000 the employment declined driven by lower capability of local products to compete on price down to 51000 in 2013 and has gradually picked up to about 57000 in 2016 nationally. Average sizes of factories reduced and retrenchments persisted as businesses fought to survive. The operating environment characterised by cutthroat price competition with cheaper imports left the industry with two rhetorics, "Asian imports are killing our industry" and "illegal imports are killing our industry". Some figures reported in 2014 showed that only between 25-30% of the locally sold clothing is manufactured domestically (Business Partners, 2014).

As the operating condition remained hostile some businesses started looking at process centric approaches to improving their competitiveness. Some factories started changing from custom operating models adopting new methodologies like WCM/lean systems used successfully in other industries like motor industries to streamline their operations and optimise their value chain. Government tendered financial support through production incentive programmes to try and stimulate growth (DTI, 2016). Interventions in voluntary technical clusters were mobilised giving positive gains in a number of factories, however only about 33% of factories pursued the clusters hence only a few factories benefited.

From the National Bargaining Council perspective, whose primary role is to guard and see that all parties comply with agreed and gazetted conditions have taken a proactive role through PTI to drive activities that will improve productivity and compliance and grow the industry. It has been observed that the level of compliance in the SMMEs (1-50employees) group is concerning and it links to the nature of problems these businesses face. This group is important as the new businesses usually will fall into this category as an entry point or starting point. There is strong focus to improve and influence systems, quality of core skills, up the skills matrix and turnaround the negative underlying factors affecting this group as well as the rest of the industry to foster competitiveness for growth and survival of new entrants into the industry.

The role of PTI on employment creation has been affirmed in the 2016/2018 industry negotiations with a mandate to focus and support development of new industrialists. The clothing industry is a high-potential industry for employment creation based on market size; however the manufacture systems need to capacitate proficiency to compete on price. With a low capital intensity of R10000 to create a new job compared to R150000 for general manufacturing and a labour intensity almost double (19.2 vs 10.4) that of the general manufacturing (Rasool, 2013), the clothing industry is one area which can be harnessed to ease the national unemployment headache. The positive of the clothing industry is that it has potential to equally employ man and women owing to low physical prowess required relative to

general manufacturing. Another upside being that the entry level literacy can allow people with even Gr 8 to be trained and be competent on the sewing floor.

The training and skills development for the industry are well established and some job creation activities have been done through various institutions. A private TVETSA recently trained 120 people in Douglas, 105km from Kimberly for 10months on full sewing learnership for a project for sewing linings for coffin making business. The same college trained in the North West on domestic sewing machines in the rural/farming communities for school uniforms projects. Clotex SA has been working tirelessly in the Cape area with previous disadvantage unemployed youths and physical challenged students on learnerships for self-employment. Nationally there are other initiatives in different areas of the country on domestic sewing skills development and the role of PTI is to contribute in building systems influence curricular that will make them sustainable and further grow to employ other teams.

Despite the stated recent and current initiatives in place there has been limited observable growth of the industry from these initiatives. The main challenge remains capturing the market and producing what the market wants at an economical and competitive price. Also the model of operation usually adopted here does not make the new industrialists visible, they usually operate as cooperatives home industry isolated from the mainstream. They have limited access to other industry peers, and employer associations who can help them grow and are usually not registered with the National Bargaining Council where they can access the services of PTI for support.

The proposed model for any new employment creation skill initiatives is to repackage and train and to capacitate them for growth and compliance. This is critical in that to access any government help and funding one need to be compliant to the Bargaining Council as a business. The technical skills training models will need to equip the WCM/Lean skills as part of the training; to be competitive the manufacturing needs to be as efficient. Once they are visible within the National Bargaining Council map, they will benefit from set of programmes on manufacturing systems being developed to build sustainability into this SMME manufacturing model.

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Contribution of a Cape Town TVET College to Skills Development and Job Creation: The College of Cape Town (CCT)

Louis van Niekerk, Principal, College of Cape Town, provided an overview of the role of the CCT and reflected on ways in which it could play a more pro-active role in creating jobs.

The CCT is situated in the central area of the Cape Peninsula, and serves the greater Cape Town area, including a large percentage of traditionally disadvantaged areas and townships. It has eight campuses:

- Athlone Campus
- City Campus
- Crawford Campus
- Gardens Campus
- Guguletu Campus
- Pinelands Campus
- Thornton Campus
- Wynberg Campus

It claims that all its campuses have well-equipped workshops, lecture rooms, computer rooms, studios for practical work and media centres. Furthermore, that the Crawford, City and Thornton Campuses have state of the art Open Learning Centers offering the latest in technology. Services include a library, computer and internet access, printing, faxing, photocopying and book-binding facilities.

The CCT offers courses in three areas: Art and Design, Beauty Therapy, and Building and Civil Engineering.

In Art and Design it offers full qualifications in:

National Certificate: Jewellery Manufacture levels 2' 3 AND 4

National N-Diploma in Art & Design (includes National Certificates Introduction N4-N6)

National Certificate Furniture-Making: Wood Level 2 and Wood Level 3.

In Beauty Therapy it offers full qualifications in:

Beauty Therapy ITEC Diploma (Level 2, 3, 4, and 5).

In Building and Civil Engineering it offers full qualifications in:

National N1 – N3 Certificates: Building and Civil Engineering

National Certificate in Multi-Disciplinary Drawing Office Practice: N4 & N5

National Certificate (Vocational) Civil Engineering and Building Construction

National N-Diploma: Building and Civil Engineering (includes N4 – N6 certificates)

Part-Time Programmes:

Autocad Introduction 2D

Autocad 3D.

In reflecting on what CCT could do to help create more jobs, Headmaster van Niekerk came up with the following suggestions:

- Create strategic partnerships with private training providers, SETAs, national and local government;

- Staff development by means of lecture placement in industry;
- Build a reputation of quality;
- Undertake projects such as competitions which generate enthusiasm by learners having fun and enjoying themselves;
- Promotion by means of business breakfasts;
- Provide students with soft skills and job readiness;
- Establish what employers need.

In discussion afterwards it was also suggested that the CCI could gain access to many employers through the Cape Chamber of Commerce and Industry.

Saturday Evening, 1 October

Reflections on Workshop

Hennie Snyman, retired Rector and Vice-Chancellor, Port Elizabeth Technikon, and Emeritus Professor of Physics, Nelson Mandela Metropolitan University, was requested to give a presentation reflecting on the Workshop and its goals once all the presentations had been made. He pulled together many of the themes and issues that were raised and, in addition, added some of his own insights as useful additional information. What follows are extracts from his PowerPoint presentation slightly edited to ensure continuity:

'To combat large-scale unemployment of skilled and unskilled workers we need miraculous changes and interventions in the mindsets & cultures; in the home, education and in the world-of-work.' This includes the following:

- Develop & inculcate a culture to drive all our people towards fulfilling our mission of creating a prosperous & thriving economy in an equitable society
- Build a nation free of crime, corruption & fraud where the highest principles and values synergistically & harmoniously bind government, labour & business to create jobs
- Grow the economy - coupled with skills development - through large public works projects. The "New Deal" approach. In this regard the role of Private Enterprises should be examined. Also, attend to backlogs in service delivery
- Stop burning and vandalizing our schools, universities & colleges
- Promote artisanship & technical training by the destigmatisation of technical & vocational occupations
- Simplify the pathways and upward articulation in our educational system & be vigilant about gatekeeping practices
- Promote entrepreneurship & remove bureaucratic obstacles towards start-ups & enterprise development. Establish business incubators
- Accept the challenges of the brave new world of artificial intelligence (AI) & robotics. This is a net creator of jobs (Pew Research Centre: 2014) Prepare our TVET colleges for this. Relook the curriculum

- At all levels focus on building a good work ethic. Emphasise, everywhere, the importance of maths, science, literacy & communication skills (start in the home & Grade1)
- Build the quality, status & dignity of all teachers.

Destigmatisation of Technical & Vocational Education and Training is essential. Steps towards achieving this are:

1. Promote this education: through changing the mindsets of parents, teachers and the community
2. Provide appropriate career guidance: advice at schools & in the post-school system
3. Clarify & simplify: pathways to trades and occupations
4. Upgrade TVET colleges: campuses and facilities to be attractive, modern and student friendly
5. Improve the status and qualifications of college teachers
6. Promote knowledge retention: re-engage pensioners and technical experts as mentors at colleges and in the workplace.

The need for upgrading TVET Colleges is clearly demonstrated in the following table:

Table 6.1 Number of students who entered, wrote and passed examinations in TVET colleges (2012)

	Entered	Wrote	Passed	Passed as a percentage of those who entered
NC (V) level	73044	38792	16517	23
NC (V) level	28017	18305	7663	27
NC (V) level	18607	15334	6018	32
N3	14216	9928	3724	26
N4	9189	6524	2705	29
N6	3720	2744	992	27

Note: "Number entered" refers to the number of students who enrolled in a college. "Number wrote" refers to the number of students who sat for the examinations.

It shows that the average pass rate of students who enrolled in a college across all the levels is only 27%. Hence, only about one in four students who enrolled managed to pass.

Another very important route to acquiring a skill is apprenticeship to become an artisan. Professor Snyman stipulated seven steps to becoming one:

- Step 1: Career guidance and management
- Step 2: General or vocational or fundamental knowledge learning
- Step 3: Learner agreement registration and contracting
- Step 4: Occupational knowledge and practical learning
- Step 5: Workplace learning
- Step 6: Trade testing and recognition of prior learning
- Step 7: Assurance and certification.

Certification as an artisan includes several vocational routes at upper secondary level:

1. NC(v) programmes
2. N or NATED programmes
3. Technical Schools, providing vocational-type programmes from grade 8 leading to a national senior certificate with a vocational element
4. Learnerships and apprenticeships
5. Occupational Qualifications involving assessments of different unit standards of competences.

Finally, Professor Snyman recommended the following ways of simplifying the system building on the proposals set out in the White Paper:

- Upper secondary vocational programmes should be merged into two main tracks – a school-based track and a work-based track
- To meet the needs of adult learners, develop a second chance vocational programme and ensure flexible provision.

Saturday morning after coffee and Sunday morning before coffee, 1 & 2 October

Part III Planning Future Action

After the presentations on what everybody was doing to provide skills that led to job creation, the Workshop changed gears to formulate action plans for the future. Three groups were formed to think through what could be done. The groups then reported back at a plenary session. In the last session of the Workshop each individual was given the opportunity to say what she or he was going to do in the light of what had been learned at the Workshop.

What emerged from these sessions was a picture of systemic changes that would improve skills development and job creation in South Africa. This was very well encapsulated by Dr Florus Prinsloo in a diagram who also prepared a PowerPoint presentation on the deliberations of the three groups and that captured individuals' planned actions after the Workshop. This PowerPoint, entitled **Mandela Initiative Jobs through Skills Future Action Plan**, is submitted separately as part of the Report.

Johann Maree, Cape Town, 7 February 2017

Appendix

Mandela Initiative – Action Dialogue

Workshop on Job-Creating Skills Development

Goedgedacht, 29 September – 2 October 2016

Official Programme

Thursday, 29 September 2016

3.00 pm– 4.00 pm Arrival and Settling in

4.00 pm Tea and Welcome

6.00 pm Cocktail Party commences:

6.30 pm Participants introduce themselves

7.00 pm **The Story of Goedgedacht** – Peter Templeton, Goedgedacht co-founder with his wife Anne. Director of Goedgedacht Trust.

7.30 pm Dinner

After Dinner: **Reasons for Workshop and its Aims** – Johann Maree, Organiser of the Workshop.

Keynote Address – Dr Florus Prinsloo, Technical Manager on TVET in Department of the Premier in the Western Cape Government; formerly Technical Advisor on Artisan Training in the National Department of Higher Education and Training. Presently in charge of Skills Development as a Game Changer in the Western Cape Provincial Government.

Friday, 30 September 2016

7.30 – 8.30 am Breakfast

8.30 – 10.30 am Plenary

The Mandela Initiative - Francis Wilson, Emeritus Professor of Economics, University of Cape Town and Co-ordinator of the Mandela Initiative.

The Role of National and Provincial Government in Job-Creating Skills Development

Vision, goals, plans, policies and pitfalls at national and provincial levels- Dr Florus Prinsloo.

Implementation of Skills Development in the Western Cape – Elizabeth Walters, Deputy Director: Skills Development, Department of Economic Development and Tourism, Western Cape Government.

10.30 – 11.00 am Coffee break

11.00 am – 1.00 pm Plenary

German Contribution to Job-Creating Skills Development in South Africa

South African-German Training Services – Matthias Boddenberg, Chief Executive, Southern African-German Chamber of Commerce and Industry.

Mercedes Benz South Africa's Learning Academy, East London – Kim Smallie, Learning and Development Specialist at Learning Academy.

Festo Didactic, Isando – Chris Oliver, Area Manager, Learning Systems.

Role of a related SETA

The Contributions of MERSETA (Manufacturing, Engineering and Related Services SETA) – Helen Brown, MERSETA Senior Manager: Strategy and Research.

1.00 pm – 2.00 pm Lunch

2.00 pm – 3.30 pm Plenary

Entrepreneurship and Small Business Training

Job-creating potential of entrepreneurship – Michael Bagraim, Practising Managing Partner of Bagraims Attorneys and Member of Parliament. Former President of the Cape Chamber of Commerce and Industry.

Educating and training youth for small business entrepreneurship – Steve Reid, False Bay TVET College, Westlake Campus.

Accrediting Skills Development Providers

Role of the Association for Skills Development in South Africa (ASDSA) – Gill Connellan, Chairperson of ASDSA.

3.30 pm -4.00 pm Tea

4.00 pm – 5.30 pm Plenary

Initiatives that Create Youth Employment and Human Development

Intermediaries in the youth labour market internationally – Professor Andre Kraak, Researching Education and Labour (REAL) Centre, University of the Witwatersrand.

Harambee: A model for accelerating youth employment – Tammy Chetty, Harambee Executive, Western Cape.

Chrysalis Academy unleashing potential through holistic human development – Lucille Meyer, Chrysalis CEO.

5.30 pm – 7.00 pm Free time

7.00 pm – 8.00 pm Dinner

8.00 pm – 9.30 pm Plenary

Job-Creating Skills Development in the Eastern Cape

The Job-Creating Skills Development Project of the Anglican Diocese of Grahamstown
Development Fund – Reverend Bubele Mfenyana, Executive Trustee of
Development Fund.

The role of Lovedale TVET College – Luvuyo Ngubelanga, Principal of the College.

The Production Management Institute in the Eastern Cape - Caron Foster, Lead Facilitator and
Project Manager for Production Management Institute.

Saturday, 1 October 2016

7.30 am – 8.30 am Breakfast

8.30 am – 10.30 am Plenary

Job-Creating Skills Development by Trade Unions and Bargaining Councils

Zenzeleni: The clothing factory started by a trade union – Johann Maree, Emeritus Professor of
Sociology, University of Cape Town.

Role of the South African Clothing and Textile Workers' Union (SACTWU) – Bonita Loubser,
National Organising Secretary, SACTWU.

Role of the National Bargaining Council for Clothing Manufacturing Industry – Steady
Mukondiwa, Director of Bargaining Council's Productivity and Training Institute.

Contribution of a Cape Town TVET College to Skills Development and Job Creation

The College of Cape Town – Louis van Niekerk, Principal, College of Cape Town.

10.30 am – 11.00 am Coffee break

11.00 am – 1.00 pm **Groups**

Split into Groups that **formulate concrete proposals** to enhance and increase job creation by
means of skills development. Be as specific as possible, deciding who will do what by when.

1.00 pm – 2.00 pm Lunch

2.00 pm – 4.00 pm **Plenary**

Report-back from Groups on their concrete proposals for job-creating skills development
followed by **open discussion on proposals**.

4.00 pm – 4.30 pm Tea

4.30 pm – 5.30 pm Groups

Groups reconvene to evaluate and incorporate comments made in Plenary.

5.30 pm - 7.00 pm Free time

7.00 pm – 8.00 pm Dinner

After dinner address: **Reflections on Workshop** - Emeritus Professor Hennie Snyman, Retired Rector and Vice-Chancellor, Port Elizabeth Technikon, and Emeritus Professor of Physics, Nelson Mandela Metropolitan University.

Sunday, 2 October 2016

8.00 am – 9.00 am Breakfast

9.00 am – 10.30 am Plenary

Report back by each of the groups on concrete plans. Discussion on follow-up: **creating and maintaining momentum**, ensuring follow-up and continuity, networking and keeping participants informed on progress. Ensuring sustainability of projects.

10.30 am – 11.00 am Tea and farewells.

11.00 am onwards – Departures.