

World Café Feedback:

Youth skills development and employment

East London IDZ

23-24 August 2016

On the 23 and 24 August 2016, The Economies of Regions Learning Network and Jobs Fund, in association with REDI3X3 and the Poverty and Inequality Initiative (University of Cape Town), hosted a two-day workshop on approaches to youth skills development and job creation.

Purpose of event

The purpose of the event was:

- To highlight the issues related to the youth skills and employment challenge for regional economic stakeholders;
- To showcase positive examples of regional partnership action;
- To inspire regional stakeholders to develop innovative regional collaborations to address the challenge of youth skills development and employment; and
- To identify the support cities and regions require from national government and from research agencies to engage more effectively around youth skills and employment.

World Café

As part of pulling together the workshop themes and focus, a world café session engaged all the participants in a process of exploring the implications of the workshop inputs and how these could be taken forward.

The café focus areas, with associated experts and facilitators, were as follows:

Theme	Specialists and Table Hosts/Facilitators
1. Vocational training and internships	Expert: Dr Ariane de Lannoy Facilitator: Dr Claudia Beck-Reinhardt
2. Public employment programmes	Expert: Dr Kate Philip Facilitator: Matt Cullinan
3. Entrepreneurship interventions	Expert: Lufefe Nomjana Facilitator: Yogesh Narsing
4. Job placement programmes	Expert: Maryana Iskander Facilitator: Dhires Ramklass
5. Resource centres	Expert: Najwah Edries Facilitator: Ismail Akhalwaya
6. Employment subsidies	Expert: Prof Murray Leibbrandt Facilitator: Jeets Hargovan

1. Vocational training and internships

- It was agreed that we are trying to fix a symptom rather than the root cause of poor performance in the vocational and occupational training sector as it is highly linked to poor preparation of learners coming out of the basic education system (including the lack in many places of adequate Early Childhood Development [ECD]). It implies that we are dealing with a systemic failure of the education and training system that can't be fixed at the TVET level. There are, however, a number of interventions possible, both in the short and the longer term:
 - There is a need for more “choices” for the post-schooling sector to address the out-of-school youth (or NEET students). The system should allow for more horizontal and vertical articulation;
 - At the Basic Education level, examples show that by teaching in mother tongue the results for math and science do improve significantly as comprehension improves;
 - There is currently a project under way headed by the Nelson Mandela Institute for Rural Schooling and Development at UFH to introduce mother tongue education in TVET colleges; and
 - Participants also stressed the need to include practical/technical subjects at school to provide the learners with an understanding of what is entailed in an occupation and/or trade and to help adjust the, often negative, images of vocational training among young people.
- The group felt that rather than identifying “best practice” in terms of programmes offered we should focus on improving the delivery of existing programmes.
 - One example is the National Certificate Vocational (NCV) programmes offered at TVET colleges. Those programmes were designed to provide:
 - Subject (theoretical) knowledge (four vocational subjects – theory of the trade – delivered at colleges);
 - Life skills (delivered at the colleges);
 - Skills (aligned to the trade – practical – delivered at the colleges); and
 - Work place experience (learner to be placed within a company to ensure that a learner is able to apply theoretical knowledge and skills (taught at the TVET college) in the work place to enhance employability.
 - The NCV approach therefore articulated best practice as per OECD research (Local Economic Employment Development Programme [LEED]).

Areas of improvement identified by the group:

- Expertise of lecturers to teach theoretical knowledge and practical application in an integrated manner.
- The NCV is supposed to have either a ratio of 40% theory and 60% practical or 30% theory and 70% practical, which is not achieved yet, in most of the colleges.
- Increased collaboration between industry training programmes (such as the Mercedes-Benz one) and TVET colleges to help improve the capacities of TVET lecturers.
- TVET Colleges also (mostly – there are exceptions) do not have the capacity to engage meaningfully with the private and the public sector to secure work places for their learners.

Career guidance is inadequate

- Career guidance should be offered in schools starting in Grade 8 to ensure that learners can make informed decisions about their subject choices and learning pathways.
- The approach to Career guidance should be re-considered as it is very difficult to understand occupations “theoretically”:
 - One might consider work placements for school learners as early as in Grade 8 to expose learners to various occupations;
 - Schools could invite speakers and include videos in the classroom for learners to get a better understanding of the occupation.
- *The question is:* how to deal with under resourced and poor schools?
- Contextual, up-to-date and innovate career guidance could also address the reputational issues of TVET colleges.
- Of importance as well is that learners are being placed/advised according to their aptitude and interest, which implies provision and accurate interpretation of such tests.

2. Public Employment Programmes (PEPS)

- Public employment programmes – are MORE than just “public works” programmes. They are Publically publically funded special employment programmes: but not the public service.
- The programmes are not “sustainable” in the sense of “self-funding”: this is a public investment to address a market failure.
- But outcomes can have sustainable impacts on participants and communities, in terms of the assets and services delivered.
- PEPs offer work opportunities with the benefit of alleviating poverty.
- We have many different public employment programmes. Each one functions differently.
 - Infrastructure programme – Under “public works” - no budget - requires infrastructure projects to use labour-intensive methods. So quite intangible. Infrastructure biggest component. Short-term.
 - Environmental sector – Under DEA national “Working for” programmes. Sectoral.
 - Social sector – Co-ordination from DSD: includes Health (Home-based care) and Education (early childhood support) – run through provinces. Targeted.
 - National incentive to municipalities to come up with special employment programmes.
 - Community Work Programme - Under CoGTA. Two days per week, part-time, community (place) based, 1000 people per site, community identifies the work, but the work is ongoing. Run by NGOs.
- EPWP covers all of this. It is all the different things sitting in different places.

Basic principles

- How can different parts of government best contribute to public employment in clever, innovative ways?
 - e.g. CoJ’s Digital Ambassadors
- If the work is meaningless and if people do not feel valued – the initiative does not help. So what are the levers to push the boundaries in creating “useful work”?
- Management matters: programmes need adequate tools, materials, technical assistance, training, and programme management to create a meaningful, productive work experience for participants: so that their work experience in EPWP counts for something in the wider

labour market.

- Some implementing agents – inside and outside the public sector – just do the bare minimum and the work is a waste of time. How can they be challenged to improve the outcomes?
- The work undertaken can and should add value in the lives of communities.

Issues

- What are we measuring? Too often, just count number of participants but:
 - How does the work experience improve the employability of those people
 - What skills and capabilities are they developing?
 - How do the assets and services delivered contribute to wider policy goals?
- Is current EPWP design assisting us to create meaningful jobs? Where people are employed for a very short time – there is limited real value. So unintended consequences of people borrowing and people getting into debt.
- The short-term nature of the programmes (other than CWP and some environmental and social programmes) is a real problem.
- Public employment landscape is so complicated that it is not accessible, transparent for those who want to participate. And the programmes are all full the moment they are opened.
- In this context, what are the criteria for selection? Patronage a real concern.
 - CWP identifies criteria and it is to those most in need. Not a process where you apply, but it is a selection process. Build social cohesion. Increases opportunity for development. Deals with sustainability. Team work. Agency. Make them employable because they have belief in themselves and their future.
- With CWP - nobody doing the collating and making the connection. No one is doing the up-front curating – in terms of creating demand.
- The EPWP programme could have far more impact.
- Often not inspiring for youth.

Ideas and questions

- How do youth access and get to know about these programmes? Is there anywhere where youth can go to find a programme they can enroll in?
- Measure how people can be made more employable (but remember it is also an inevitable gap given shortage of jobs in the economy).
- Must be clear about the right balance between the value of work vs making people marketable. Not everything must be geared towards employment or employability. Social cohesion is NB - reflect the community. It is about life skills.
- Multiple pathways – need to explore partnerships and broaden the impact.
- Programmes should have more than one objective – two or three.
- What is the role of SOEs? We do not see them in terms of the developmental state in the way they were used historically. What is the state's stance on this?
- Importance of soft skills that social sciences brings in terms of interpretation of the policy world. The importance of passion.
- How do we deal with the issue of patronage? When councilors are responsible for employment of EPWP workers. E.g. in India 60 million people on public employment. There are little kiosks that enable people to make complaints about a programme.
- People have not been exposed to the other creative things that can be done.
- Despite Free State spending about 3billion on EPWP – we have not received the desired

impact. So question about what is it we need to tweak or do? 60% of the youth are unemployed and unskilled.

3. Entrepreneurship interventions

- “Not everyone can or should be an entrepreneur”.
 - Incubation - (start-ups) facility to prepare, creatively think, and test idea.
 - Innovations hubs – Implement ideas/proto type in an environment of peer co-operation, learning and support.
- “Culture plays a more important role than education and other aspects, its seen” – witnessed in the success of foreign nationals.
 - “We must be careful of using culture itself, narrowly – it is dynamic and ever changing and has socio-cultural dimensions.”
 - “We need to find a way to move from being simply consumers to creators/manufacturers.”
- “Entrepreneurship – narrowly defined as only being about business creation, it must be broadened to be about being inventive.”

How?

- Mentorship, financing and incentives – Many exist but needs directing.
- Incubators and innovation hubs play a critical role.
- Simplify and streamline the process of entrepreneurial support - Duplication of Govt. initiatives; need focus on sustainable Govt. intervention - “tenders not a sustainable basis”.

What?

- Need sector-focused approach for interventions (incubators, etc.).
- Drive franchise model through private/ public partnerships – Key role for Government.
- Co-operatives (model) must be used more (change perception - “it’s a business...not a soft survivalist business).
- “We earn Rand but buy in Dollars” – We see local products as inferior, hence we need to develop standards for these small business, which in turn will help these business grow.
- Government must create a conducive environment for business, - “clear policy equally important as the ‘how’ of entrepreneurship”.

4. Job placement programmes

- Disjuncture between NQF and what the system (industry) actually needs.
- How to match employer needs with employee skills. Harambee uses psychometric tools to do the matching. Shadow Match is such a tool. Harambee's tools are quite well developed. It was asked how well developed are other institutions tools.
- Uncertainty with regards to employment certainty.
- What is the measurement of placement success - retention and not necessarily numbers placed.
- What programmes of this nature currently operating nationally?
- ESA - Employment Services Agency. 2000 job placements per year - not very successful. Would be interested to determine their budget and presence and find out what they are doing.

- The SETAs are also placing learners in learnerships and seeking placements for learnerships. Seems to be a new thing.
- Jobs seekers are getting placed in jobs that they are actually not suited to.
- KZN technical skills and placement programme - seems to be a good initiative that could be replicable.
- Impossible to speak job placement and not link it systematically to a programme that prepares a young person for employment.
- KZN technical skills programme focuses on trades for SETAs. 9100 youth have been placed in private sector companies on projects. These projects are usually government projects and that allows for placement.
- KZN has a provincial portal of unemployed graduates.

How should city and regional government support

- Provide low-cost real estate, broadband, tie to other incentives to make the deal sweeter, budgetary support could be given to job placement agencies.

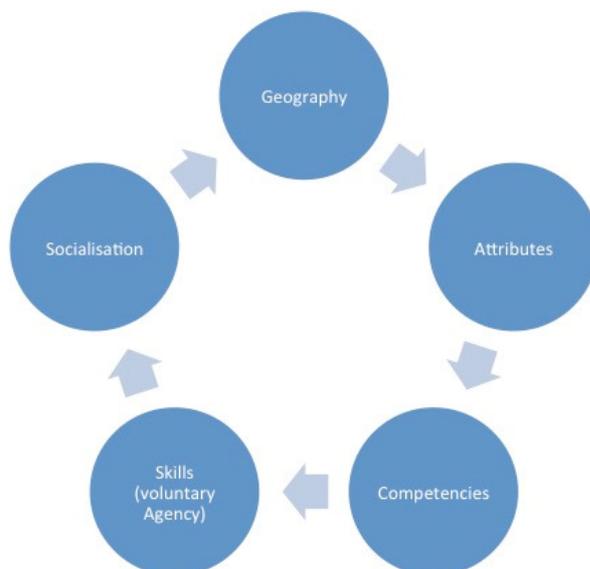
How should government and private sector partner?

- Need to know sector strategies, market the industries and combine with the industry bodies.

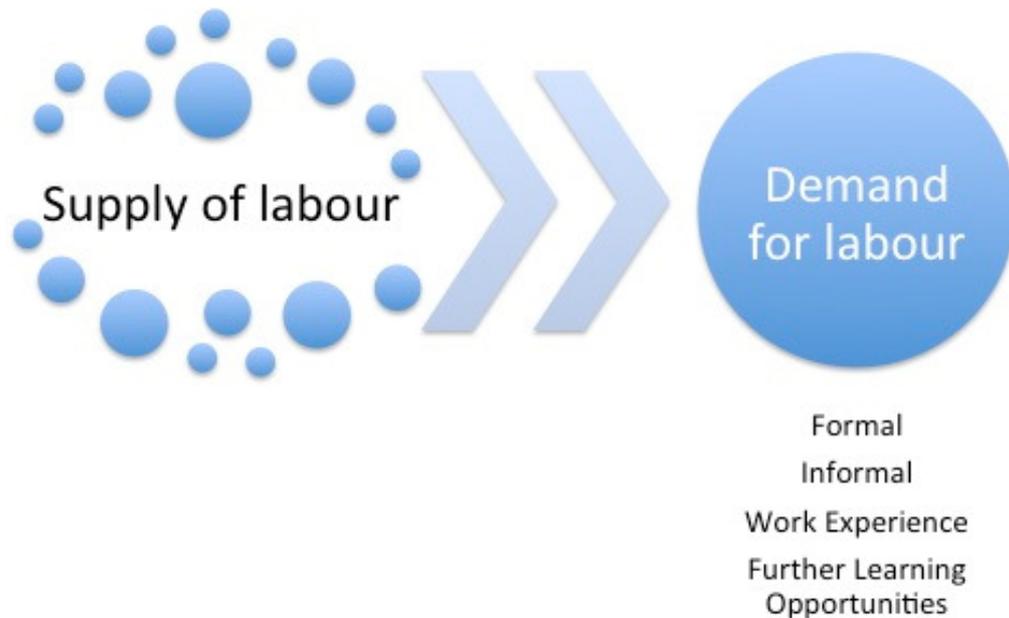
5. Resource centres

- Resource Centres: Physical spaces where unemployed youth can access information and do job search.
 - E.G. NYD – YAC; BCMM – YDC; GP (national) – Job Centres; Thusong Centres; DoL Labour Centres; CT - Career Linx; tertiary education institutions.
- Clearing house: System of matching unemployed (supply) to demand (opportunities)
 - Does not exist, currently being tested in JHB with Harambee.

Determinants of employability



Clearing house



City and Provincial support

- Can system work in smaller municipalities?
- Province to maybe take lead with affiliate model

Government private sector partnership

- Private sector should fund and support entrepreneurial, skill and supplier development
- Should explore the incubation model

Issues that link to other areas

- Links to PEP (income stabiliser, stepping stone in absence of formal employment)
- Mobi Site (JHB example allows equal excess)
- INFORMATION INFORMATION INFORMATION

6. Employment subsidies

In attempting to understand the issue of Employment Subsidies, it was important to understand the goals or intentions of any employment subsidies or initiatives. An employment (or wage) subsidy is a payment (or tax refund) to encourage businesses to **employ** eligible job seekers. These subsidies can help employers to expand their business and employ new staff, which will help boost the economy and create more jobs. The concept of the original employment or wage subsidy was tabled by the Harvard Group in South Africa during the term of President Mbeki. The scheme proposed was based on youth taking the initiative, rather than the current system that is based on

employer schemes managed through a SARS system linked to monthly PAYE returns. The current system in operation in SA is the Employment Tax Incentive (ETI).

Goals

- Reduce cost to company
- Contributes to social capital
- Reduce uncertainty in employing youth
- Sustainability (may be linked to conditionality)
- Create demand for new jobs
- Wage subsidy is not a capital (investment) subsidy
- Build partnerships

It was noted that employment subsidies have distinctly different goals to capital or investment subsidies. The latter is an incentive to invest in, establish or move an enterprise to a specific area or sector.

Current schemes in place

- Employment tax incentives (N T /SARS)
- SEZ wage subsidy – planned (DTI)
- Stipends for internships (DTI)
- Learnership allowances (DHET)
- Jobs Fund – NO!
- Investment subsidies (provincial / local)
- In kind (rental, rates, utilities)

It was noted that the schemes identified above were predominantly capital / investment subsidies. The only “real” employment subsidy in place is the ETI. It was noted that the various schemes are spread across various national departments.

The following notes and recommendations were identified:

Note and recommendation

- Policy coherence – it would be important to ensure policy coherence across the various departments dealing with both employment and investment subsidies.
- Implementation – it was noted that the current disparate systems might allow for “double dipping” i.e. claiming for the same young person through multiple schemes.
- Interpretation
- Recommendation: Impact Assessment – it was felt that the impact of the current schemes needs to be assessed / evaluated.

Challenges / questions

- What happens after specified time period?
- Potential Abuse
- Substitute internship programmes
- Rigidity of labour

- Labour brokers (mainly benefitting)
- No tracking
 - Before and/or after analysis
- Is it a real incentive to create employment?
- Investment subsidy
 - Not an employment subsidy
 - Problems with design
 - No impact assessment
 - Subsidises capital