



EDGE

ECONOMIC DEVELOPMENT & GROWTH IN ETHEKWINI



19TH ISSUE - JUNE 2017

SKILLS: SPOTLIGHT ON ARTISANS!



Disclaimer:

Although care has been taken to source the most up-to-date information for this edition, new information may come on stream during the editing, layout and printing of the EDGE publication and it may not be possible to render any updates at the time.



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EDGE

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¹ Dr Botha is a contributor to the EDGE 18th Edition, but was erroneously omitted from the tourism publication's "Contributors' Section". Click on the link to access the previous publication and read Dr Botha's insightful article on the expected effects of Brexit on the SA economy: http://www.durban.gov.za/Resource_Centre/edge/Documents/Edge%20Feb%202017.



Welcome to the **EDGE**

Welcome to the 19th edition of The EDGE, a quarterly economic bulletin that looks at the eThekweni economy, with a brief overview of the global and national context.

Published by the Policy, Strategy, Information and Research Department of eThekweni's Economic Development and Investment Promotion Unit, The EDGE aims to inform stakeholders of the latest developments and trends in eThekweni.

The theme of this edition centres on SKILLS within eThekweni, the spotlight being on artisans.



COUNCILLOR KAUNDA
CHAIRPERSON OF THE ECONOMIC
DEVELOPMENT AND PLANNING COMMITTEE

FOREWORD BY THE CHAIRPERSON OF THE ECONOMIC DEVELOPMENT AND PLANNING COMMITTEE **ETHEKWINI MUNICIPALITY, COUNCILLOR KAUNDA**

Welcome to the 19th edition.

There is a shortage of skills in South Africa, according to the Department of Higher Education and Training. This has the resultant negative effect of constraining growth and employment in the country as a whole.

At eThekweni in particular, research has shown that the City faces a two-pronged challenge relating to the area of bolstering the skills of its workforce. Firstly, the local skills base is relatively weak and this presents a barrier to economic development, inclusion and transformation. Secondly, the City suffers from a brain drain.

With regards to the first challenge, research shows that around one in two establishments consider the availability of technical/vocational skills to be a major constraint to growth. Many businesses emphasize the problem to be with matric being a poor predictor of readiness to work, as well as the mismatch of tertiary or vocational training to specificities of workplace demands. This has the effect of making businesses cautious of the high costs of skills given that they have to consider annual increases for those staff members and may rather substitute through expansion with production technologies or new production lines.

The second challenge with skills at eThekweni reveals that the City suffers from a brain drain. The loss of our highly skilled citizens to other provinces and outside of the country has been a cause for concern in the City for many years. A brain drain, intuitively, has a range of deleterious effects on the City's economy. Among these are an adverse effect on economic growth and a reduction in the City's capacity to develop as a knowledge society and therefore compete effectively in the national and even the global economy. A brain drain also constitutes a major loss of investment in terms of the education and training of the City's highly skilled professionals.

Given this situation, there are still some occupations that are found to be in high demand for which there are shortages in

the labour market, or have shown strong employment growth, or are likely to show growth in the future. One such area is the area of skilled artisans – people like bricklayers, plumbers, tool-makers, painters, electricians or fitter and turners whose skills are in big demand.

This 19th edition of EDGE focusses on skills, particularly those of artisans. We profile / cover some of the initiatives of eThekweni Municipality in artisan development, as well as initiatives in skills development in the private sector, civil society and government. We also examine the fourth industrial revolution and its impact on artisans.

In an endeavour to address artisanal skills challenges, it has been suggested that eThekweni needs to develop initiatives for talent attraction and retention, as well as pursuing a research, enabling, networking and advocacy role in relation to particular vocational skills. Among practical solutions offered, it has been suggested that eThekweni needs to develop a public database of available programmes for distribution at key points which are accessible to youth. Collaboration amongst stakeholders is required, and key areas include placement, tracking, monitoring, cross referrals, accreditation and providing funding opportunities. eThekweni may also benefit from developing a combined database and tracking system, and the City should enhance its job seekers database to assist organisations with managing and tracking their candidates. With regards work readiness, this must be addressed at the school-level, and there is a need to develop a dynamic social network through which young people may gain information about available opportunities. Other suggestions also include developing a dynamic social network through which young people may gain information about available opportunities, coaching and mentoring. For this, employer buy-in need to be encouraged. Lastly, eThekweni Municipality should explore making use of job readiness providers.

The ECOD Committee of Council has a mandate to promote and facilitate economic growth in the City, together with the involvement of our social partners in the private sector, academia and civil society. As the Chairperson of this Committee, I believe that part of this mandate includes bolstering skills and addressing shortages in the labour market in a way that will have a positive effect on employment growth, particularly those of artisans.



NOTE FROM THE EDITOR

This edition focuses on the development of artisans within eThekweni. This is fitting, as artisans are essential to any economy that aims to industrialise. Artisans add relatively more value than other labour on the manufacturing floor, and are less susceptible to automation than low skilled and unskilled labour.

With the student uprising spotlight often being on universities and universities of technology, it is important that TVET students are not forgotten. They often face the same, if not worse challenges of high costs of education, and insufficient teaching resources available. Hence, the sub-title for this edition is “Spotlight on Artisans!”

This edition firstly looks at the eThekweni economy, and then includes a special WEF feature, following the three day summit proudly hosted by Durban. The publication then delves deeper into artisans in the City.

Through interviews, opinions and perspectives were sought on government’s initiative to reach 30 000 artisans by 2030. This includes interviews with TVET colleges and commentaries from SETAs. Perhaps the most striking theme is that of a need for more private sector and academia partnerships; particularly around structures like Work Integrated Learning. Some key questions asked are:

- Is the Provincial Artisan Development Steering Committee (PADSC) enough for the interaction needed between all parties to grow the City’s artisans?
- Is the City able to produce sufficient artisan trades identified as scarce and in demand by their respective SETAs?
- How do we increase the number of women in artisanry to higher than the current 19%?
- Is our artisan workforce; current and future, ready for the Fourth Industrial Revolution, or are we producing potentially outdated skills?

This edition is designed to spark discussion around key issues, by covering a wide range of perspectives. I hope that you enjoy the read!

ECONOMIC OVERVIEW



Growth in China is expected to reach just over 6% by 2018 as the economy adjusts to a number of transitions towards consumption and services, heavy industries and sustainable credit development. The US economy is continuing to show signs of growth and increasing the interest rates may be the right move, but may impact negatively on emerging markets. Countries such as Turkey, Brazil, and South Africa, which perpetually run trade deficits, finance their current account deficits by building up dollar-denominated debt.

The rand has weakened since the results of the Brexit vote but the currency's decline is likely to be short-lived and is expected to strengthen again in future. The current volatility exists because many traders and speculators did not anticipate the UK's exit from the EU.

Africa remains the fastest growing region after East Asia averaging 4.2%. Global trends are affecting African countries differently – revenues are dropping in resource-rich regions, while oil importers are benefiting from lower inflation. Many African countries are also facing large fiscal deficits.

Real gross domestic product in South Africa decreased by 0, 3% in the 4th quarter of 2016, following an increase of 0, 4% in the third quarter. Recent figures released indicate that the country's GDP decreased again in the second quarter, by a further 0.7%, quarter-to-quarter, plunging the country into a technical recession. The biggest culprits for this were manufacturing and trade, detracting 0.5% and 0.8% from economic growth respectively; while mining and agriculture performed best, contributing 0.9% and 0.4% respectively. The unemployment rate as at the 4th quarter was recorded as 26.5%, while that for Q1 was 27.7%.

In the State of the Nation Address, the President said that the structure of the economy will be transformed through industrialisation, broad-based black economic empowerment and through strengthening and expanding the role of the state in the economy.

The eThekweni economy (Gross Domestic Product) grew by 0.9% in 2016 (R292.1-billion). There was positive growth recorded in most of the sectors. Community services (1.9%), finances (1.7%), manufacturing (1.2%) were the best-performing sectors. The lowest growth was recorded in the agriculture sector at -7.4%.

The total number of people unemployed in eThekweni is approximately 227,000 with the latest unemployment rate from Statistics South Africa recorded as 22% in the 4th Quarterly Labour Force Survey for 2016.

As part of the City's long-term strategic plan, together with the vision of making eThekweni the most livable city by 2030, a number of major developments have been identified, some of which are described as catalytic projects; those that will contribute towards addressing our main development challenges. Durban shoppers will have an additional retail option during September this year, when the Cornubia Shopping Mall is opened. Other significant projects include the Oceans and Park Square Developments in Umhlanga and the 1000-hectare mixed-use development – the Ocean Dune Sibaya – which will provide 9000 residential dwellings and approximately half a million square metres of commercial and public amenities.

In addition to some of the major developments mentioned, there are also a host of initiatives that align with national government's focus on infrastructure development and job-creation – some of these form part of the Strategic Infrastructure Projects or SIPs. The significant ones here are the proposed aerotropolis at Dube TradePort, the logistics hub development and the Durban-to-Gauteng rail upgrades.

eThekweni's tourism sector contributed approximately 5.9% to eThekweni's GDP and in the past 7 years the number of domestic visitors averaged 1.1 million while international visitors averaged approximately 295,000 per annum. The City will continue to offer an ideal mix of tourism products for our visitors in terms of events and places of interest. MICE visitors recently came to the spotlight, on the 3rd to 5th May, with the hosting of business and government leaders from all over the continent and world, to discuss, on the World Economic Forum platform, the continent's economic future.

The City will continue to strive to create an enabling environment for new investments, ensure an inclusive economy where all have equal access to it and contribute towards the National Development Plan goals of growing GDP to between 4-7.5%. The Country and City have certainly been impacted by low global growth owing to uncertainty in financial and economic policies amongst major players, as well as volatility in oil prices, and the weakening of the US economy. Given all of these, the City is striving to address all its challenges, while looking forward to more positive growth during 2017.

The biggest challenge for all now however, is the downgrading of the country's credit rating by two rating agencies. This means that, despite the impending consequences of the downgrade, we must still intensify our efforts to sell the many benefits of investing in our city. eThekweni Municipality will strive to ensure that we continue to support small and big businesses in whatever way we can, to ensure a smooth ride while trying to minimise the impacts of the downgrade.

WEF FEATURE: POST WORLD ECONOMIC FORUM AFRICA ANALYSIS



Durban presented the ideal location for probably the most high-powered discussion on the continent in the form of the World Economic Forum Africa Summit hosted in the city from 3 to 5 May 2017. From a continental perspective Durban represents the epitome of maritime connectivity, being home to the continent's busiest and most globally connected container port. As the main maritime destination for goods on the continent, the city is well connected to distribute goods through transshipment to other smaller ports on the eastern seaboard, as well as land based logistics infrastructure into Gauteng and Southern Africa. Consequently it has also become a critically important centre for production geared towards the Southern African market as well as for global export. Durban is also a vibrant tourist destination that has twice been rated number one in South Africa for its quality of life.

The MEC for Economic Development Tourism and Environmental Affairs, Mr Sihle Zikalala estimated that the 3 day event would bring in R155million into the local economy. Apart from that, the event also brought heads of states and CEOs of global corporations into the city and gave it a chance to be showcased to the globe's largest investors.

Even more significant, however, was the gathering of the minds that are collectively responsible for the direction of the economy. This provided an opportunity to influence the shape and structure of the African economy to yield the kind of benefits for South Africa's people that the country would like to see. The theme of 'inclusive growth' is very apt for Africa, for South Africa and for Durban. It is a stark reality that the wealth that is being generated globally, is increasingly concentrated in the hands of fewer and fewer people. Rising inequality is a problem across the world and particularly in Africa. In South Africa the problem is particularly pronounced and still reflects the apartheid legacy due to its racial structure.

In addressing this, The Minister of Finance, Minister Gigaba, at the Black Business Council Round Table at the start of WEF, emphasised that Africa must first be prepared to invest in itself. He had just led the media on an inclusive growth tour the previous day, and together with Mayor Zandile Gumede, toured key infrastructure projects such as Dube Trade Port, Bridge City, and a 500 bed regional hospital being built to service Cornubia and INK (Inanda KwaMashu and Ntuzuma). Having seen this, he stated that he is "enormously excited about the developmental possibilities of KwaZulu-Natal as a logistics and industrial hub, connecting South Africa with Southern Africa and Africa, and Africa with the world". He lamented that poor infrastructure on the continent continues to undermine intra-continental trade, adding that the continent's infrastructure backlog is estimated at around \$100 billion per year. Minister Gigaba praised the City's infrastructure projects but also questioned whether the previously marginalised communities of KwaMashu and other surrounding areas have benefitted. Nonetheless, he praised the projects, noting that traditionally, infrastructure in Africa was designed to extract resources solely to be exported to markets outside the continent. This necessitates a new era of infrastructure; which facilitates industrialisation.

Through various speeches and dialogues, the eThekweni Mayor, Councillor Zandile Gumede outlined the city's Radical Economic Transformation Framework which placed emphasis on promoting SMMEs and Black owned business through the municipal procurement system. She noted that while other cities are still struggling with policies on Radical Economic Transformation, eThekweni already has a tangible policy that responds to the country's call. The city also placed focus on a number of catalytic projects which are set to transform the local space economy of Durban. These projects present investment opportunities in a range of different sectors from residential, retail and logistics

to investment opportunities in productive sectors in manufacturing and technology development. The Mayor invited potential investors to talk to the City's team on a range of exciting opportunities in this growing region. In addition to catalysing development, she noted that the projects seek to fast track a transformation of the spatial pattern which relegates lower income Black people to the fringes of the city.

In the main event, Minister Gigaba unpacked Government's approach to inclusive growth pointing out that the concept of Radical Economic Transformation embodied the very same principles. The Minister emphasised the need for a change in the structure of production and diversification of the economy to create a thriving manufacturing sector. In order for this to happen there was a need to encourage beneficiation and skills development as well as to prioritise greater investments into SMME development, in addition to changing the regulatory framework for SMMEs. The Minister stressed the need to develop stronger township economies that went beyond spaza shops, salons and car washes, through facilitating development in productive sectors, while noting that an absence of productive economic opportunities in townships was a problem. He pointed out that the R500bn state spending packet would emphasise SMMEs as well as women and black owned business.

The Minister reassured investors that the country would manage its debt levels by avoiding reckless spending and ensuring that economic growth laid the basis for any further debt, while noting that this did not translate to neglecting service delivery. He pointed out that while fiscal consolidation increased, government actually increased investment into social spending thus moderating inequality and poverty and managing expectations. However, a growing and inclusive economy was fundamental for the future of the country and this included a changing pattern of ownership. He drew on examples at Dube Trade Port to point out the model of Black ownership in businesses in the productive sectors, as the model to be accelerated through the creation of Black industrialists. He outlined that state procurement as well as the State Owned Entities (SOEs) would be used to localise the economy and empower Black people.

The Mayor as well as Minister indicated that inclusive growth should not only be a priority for government but also for the private sector as owners of the economy. The Minister acknowledged that in order for that to happen the State needed to create confidence among investors by creating certainty around policies that would help unlock the balance sheets of the private sector towards investment in productive capacity. He noted that the private sector was committed to the youth development programme, participation in infrastructure role out, and in playing a significant role in growing the economy. In his speech on 04 May 2017, President Zuma emphasised regional integration and the need to curb illicit financial flows out of Africa which robbed the continent of taxes. He further committed to following agenda 2063 formulated by the African Union as its strategic framework for the socio-economic transformation of the continent over the next 50 years.

As part of their focus on inclusive growth, both Minister Gigaba and Mayor Gumede emphasised the importance of the youth, adding that they are the country and the city's biggest asset. The youth at WEF Africa paid testament to this by hosting numerous side events which included an open forum called Talk 031, the Old Mutual Youth Entrepreneurship Nightcap, and the

African 50 Blue Economy (Boat Ride) Tour; also launching the Durban Agreement on Open Africa. The Open Africa agreement makes a case for an open and border-free Africa. The youth activities were open to leaders from business, civil society and government, and organised by the Durban Global Shapers in collaboration with other partners, collectively hosted over 1 000 participants. The same events were also attended by counterparts from throughout the continent, who shared their ideas and fostered relationships with the youth of the city and country. In an interview Minister Gigaba stated that it was important for young people that are getting involved in politics to gain an education. He pointed out that the youth and next generation of African leaders must be educated and skilled, while noting that the population of Africa is young and this needed to be reflected in the power relations.

Innovation also emerged as an important topic with emphasis on digitisation of the youth. It was emphasised that it is important to allow the growth of technology as it will lead to a net result of more jobs, and higher wages. While blue collar workers may be gradually phased out due to automation, it was collectively agreed that this will make way for a new era of 'new collar workers'; high school leavers who are able to design apps and are digitally skilled. Thomson Reuters Labs also held a side event on innovation, together with the Maker Space and the Durban Innovation Hub, featuring innovation demos and talks on how to achieve beneficial innovation in the African context.

The World Economic Forum Africa Competitiveness Report 2017 was also launched at the summit and emphasised the need for structural reforms to boost productivity within sub-Saharan Africa. In a number of side events and dialogues:

- Government partnered with the WEF Internet for All project to accelerate the connection to the internet of 23 million additional South Africans by 2020.
- The Africa Skills Initiative agreed to make business commitments in 6 areas, namely, internships and apprenticeships, developing future-ready curricula, foundational educational delivery, retraining for unemployed youth, research collaboration and expanding basic IT fluency to 1 million people by January 2018.
- Durban entrepreneur Darlene Menzies of FinFind was one of the top six winners of the Women in Technology award.

On the final day of WEF, President Zuma conducted a walk-through the 'Made in Africa for the World, Design Expo', interacting with numerous SMMEs that are engaged in the production of niche local products, which included craft, clothing, jewellery, food, art and other gifts.

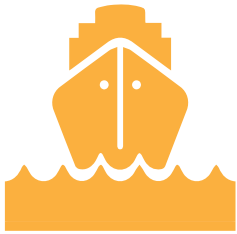
The hosting of WEF Africa was undoubtedly an exciting and inspiring turn in the city and country's economic planning. With key resolutions having been set by the continent's decision makers, it now remains up to implementing agents to continue the momentum for inclusive growth and radical economic transformation.

"Africa is rising and African leaders are rising to the occasion"

– President Jacob Zuma, 04 May 2017.

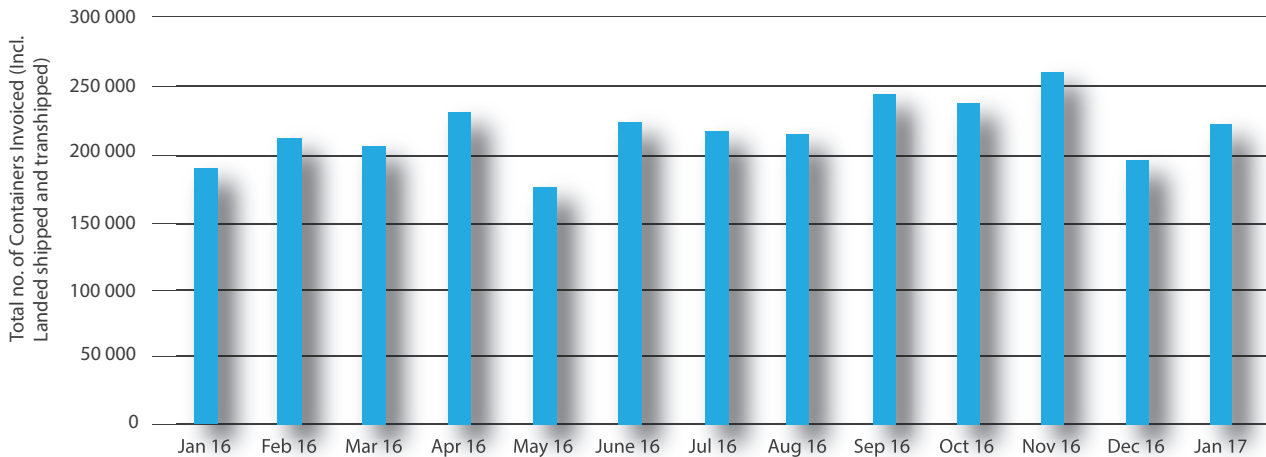
KEY INDICATORS - LOCAL STATISTICS

Kindly note that neither data from the Electricity nor Water and Sanitation Units has been included. This is due to problems experienced with the Revenue Management System. Data will be included once the information can be released publicly.



PORT OF DURBAN

Transnet Port of Durban Number of Containers Invoiced



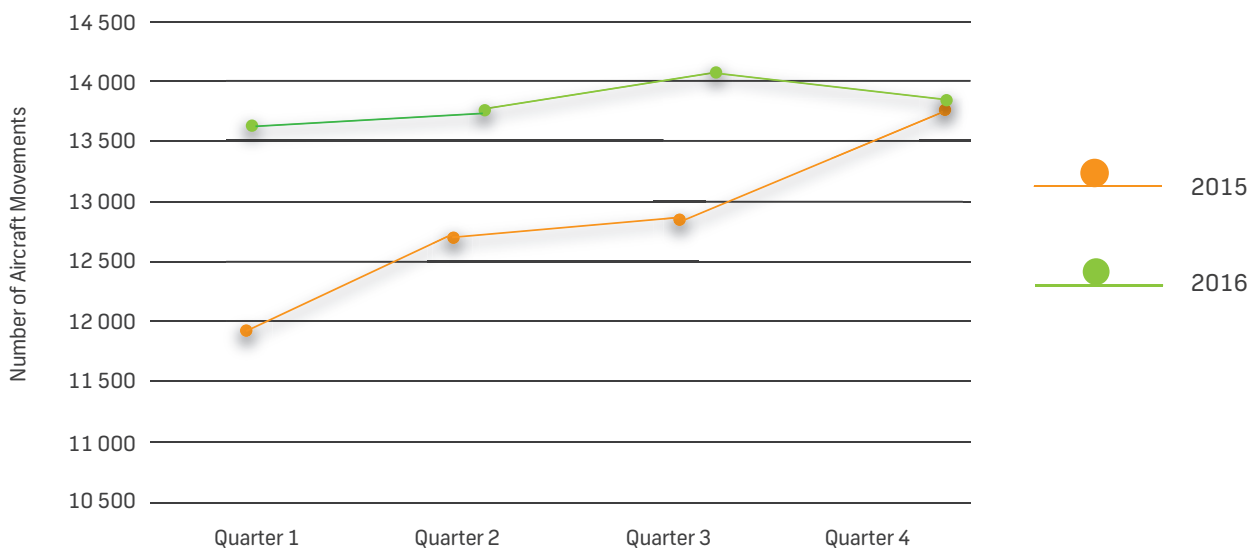
Source: Transnet Port Authority, 2017

In 2016, total containers invoiced at the Port of Durban increased by 14% (Q4 represents a 14% increase on Q1). This is compared to a 1% decrease over the same quarters in 2015, and therefore shows a marginal increase in port activity. Significant declines in the number of containers invoiced were witnessed in May and December.



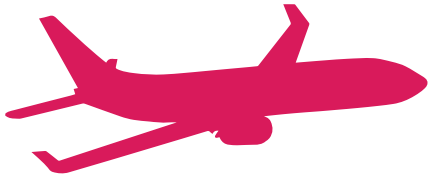
KING SHAKA INTERNATIONAL AIRPORT

Total KSIA Movement



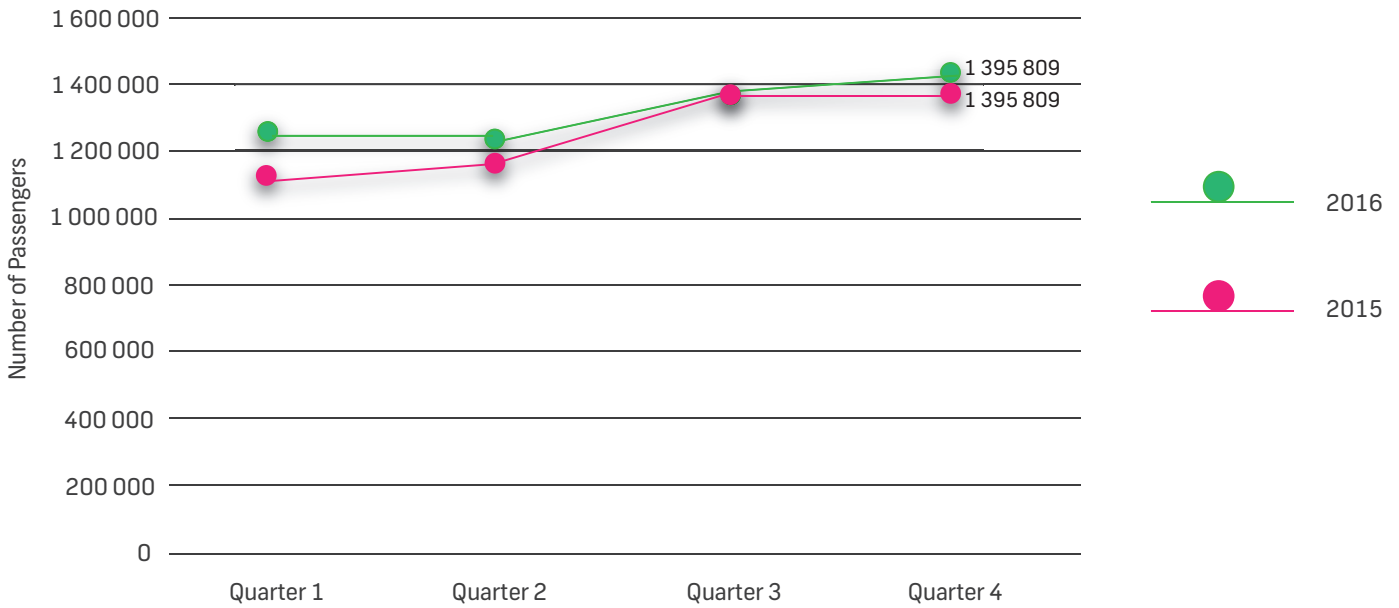
Source: Airports Company South Africa, 2017

Total aircraft movements in Durban increased to above 13 000 in all quarters in 2016. The surge is in direct correlation with the increase in flights to international destinations from King Shaka International Airport.



KSIA COMMERCIAL PASSENGERS*

Number Of Commercial Passengers At KSIA



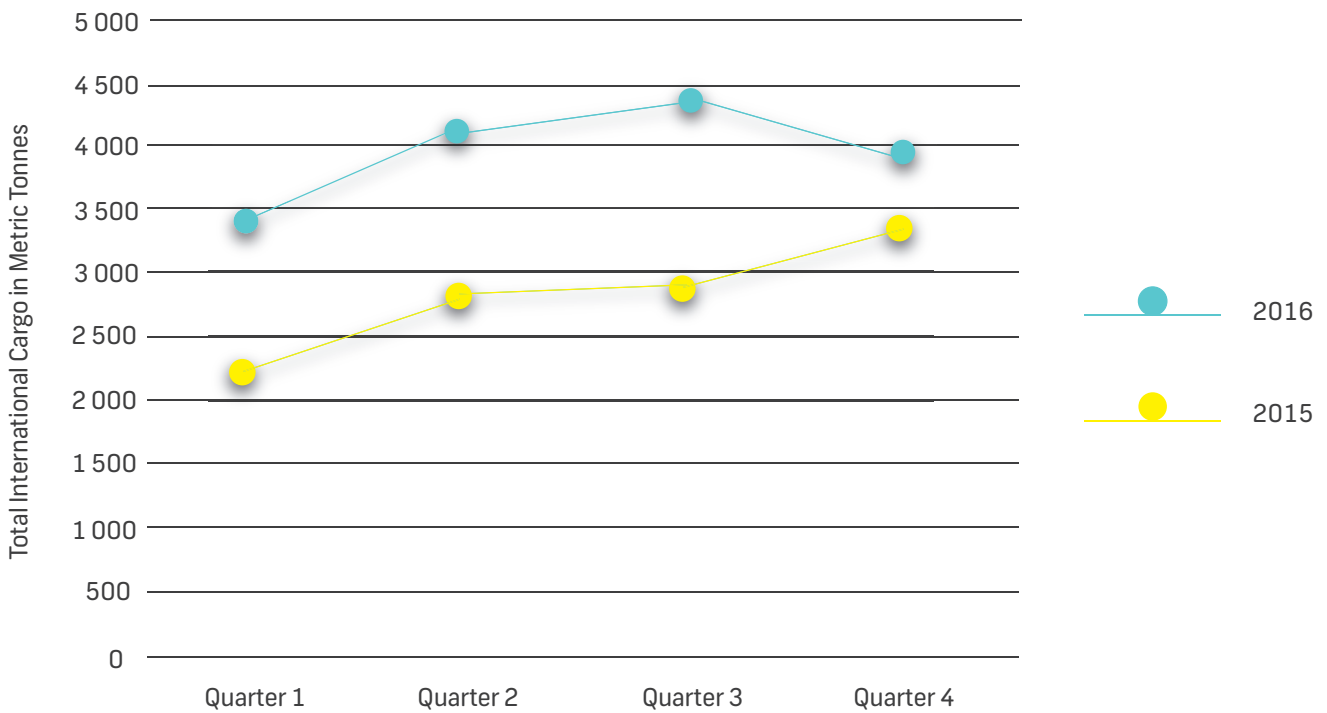
* All paying passengers flying out from KSIA. This includes international, domestic and direct transit passengers.

Source: Airports Company South Africa, 2017



KSIA CARGO

KSIA Cargo (Freight And Mail) In Metric Tonnes



Source: Airports Company South Africa, 2017

The number of commercial passengers flying through KSIA increased quarter on quarter, by 60 496. There was a moderate increase in international commercial passengers. The largest contribution to this was made by domestic passengers, whereas the increase in international passengers was moderate. International cargo saw significant increases across all quarters in 2016.

LABOUR HIGHLIGHTS

STATISTICS SA QUARTERLY LABOUR FORCE SURVEY 2016

ANNUAL OVERVIEW

| | 2016 | | 2015 | |
|---------------|------------------------------|------------------------------|------------------------------|------------------------------|
| | Official Unemployment Rate % | Expanded Unemployment Rate % | Official Unemployment Rate % | Expanded Unemployment Rate % |
| EThekweni | 20.2 | 27.9 | 16.9 | 26 |
| KwaZulu-Natal | 23.3 | 47.2 | 21.25 | 36.7 |
| South Africa | 26.7 | 36.2 | 25.35 | 34.8 |

| EThekweni Findings | |
|--------------------|---|
| Employment | Employment grew by 3%, or 56 000 people |
| Unemployment | Unemployment increased by 3.7%, or 70 000 people |
| Absorption | Absorption increased by 0.9% |
| Labour Force | Labour force participation rate increased by 4.5% |
| Discouragement | Discouraged work seekers decreased by 6%, or 7250 people. |

QUARTER 1, 2017

● NEGATIVE CHANGE

● POSITIVE CHANGE

HIGHLIGHTS

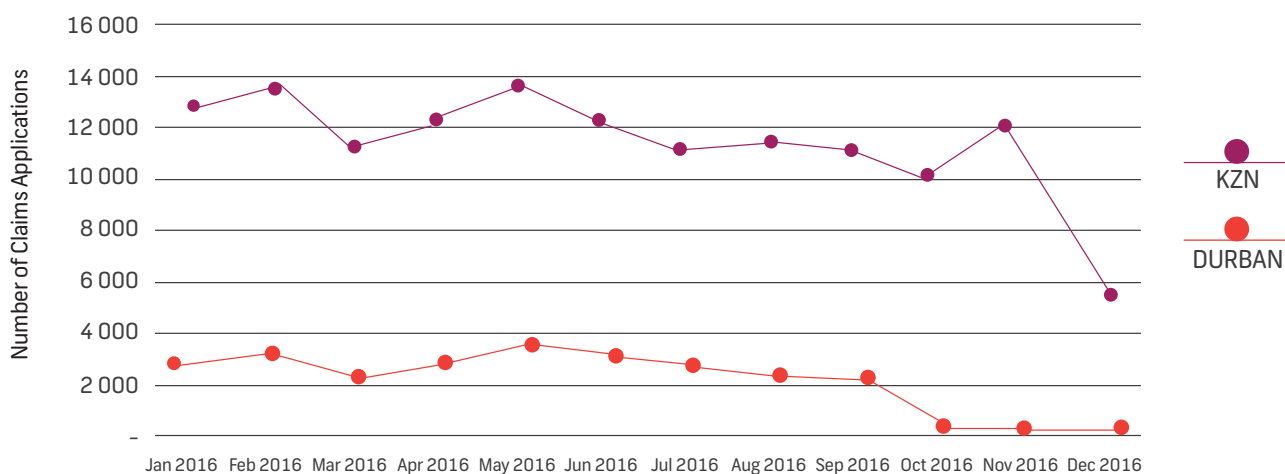
- Nationally, the growth in new labour force entrants (not the loss of jobs) has driven the unemployment rate to levels of 27.7%. This is the highest rate since 2003. ●
- The number of those employed in manufacturing grew by 62 000. This is the highest employment growth of all sectors measured. ●
- Mining grew for the first time in Q1 2017 after declining in four successive quarters. ●
- EThekweni is among the metros experiencing growth in employment. As of Q1 2017, there has been a 6.9% increase in employment; year-on-year. This is still insufficient to meet influx of labour market entrants. ● ●

| | Official Unemployment Rate ² (%) | | | | | | Expanded Unemployment Rate (%) | | | | | |
|-------------------------|---|-----------------|----------------|----------------|---------------------------|---------------------|--------------------------------|-----------------|----------------|----------------|---------------------------|---------------------|
| | April-June 2016 | July - Sep 2016 | Oct - Dec 2016 | Jan - Mar 2017 | Quarter on Quarter Change | Year on Year Change | April-June 2016 | July - Sep 2016 | Oct - Dec 2016 | Jan - Mar 2017 | Quarter on Quarter Change | Year on Year Change |
| EThekweni Municipality | 19.7 | 20.2 | 22 | 21.8 | -0.2 | 2.9 | 27.3 | 28.4 | 28 | 28.7 | 0.7 | 1.4 |
| Kwa-Zulu Natal Province | 22.6 | 23.5 | 23.9 | 25.8 | 1.9 | 2.7 | 39.7 | 40.4 | 40.7 | 41 | 0.3 | 2.2 |
| South Africa | 26.6 | 27.1 | 26.5 | 27.7 | 1.2 | 1 | 36.4 | 36.3 | 35.6 | 36.4 | 0.8 | 0.1 |

| EThekweni Findings | |
|---------------------------|--|
| Employment | 20 000 more people are employed in the City since Q4 2016. |
| Unemployment | The number of strictly unemployed increased by 2 000 people since Q4 2016, but as a % they decreased by 0.2%, because more people entered the labour force, and were absorbed into employment. |
| Absorption ³ | 0.7% more of those of working age were absorbed into employment, since Q4 2016. |
| Key Sectors | 5 000, or 48% less people are employed in agriculture than in 2016 Q1. The formal sector increased by 3.4% or 29 000 people, while the informal sector shrunk by 4% or 7 000 people since Q4 2016. The utilities sector grew the most nationally, both quarter -on-quarter and year-on-year. |
| Labour Force ⁴ | Those ready and available to work increased by 0.8%, or 22 000 more than in Q4 2016. The labour force participation rate ⁵ is now 63,0% in the City. |

UNEMPLOYMENT INSURANCE FUND CLAIM APPLICATIONS

UIF Claims in KZN 2016



KZN Department of Labour, 2017

²Official unemployment rate is the strict definition which does not include discouraged work seekers. The expanded unemployment rate includes discouraged work seekers.

³Employment absorption ratio, is the ratio of employed people to all people of working age. It answers the question: "What proportion of the total working aged population is absorbed into employment?"

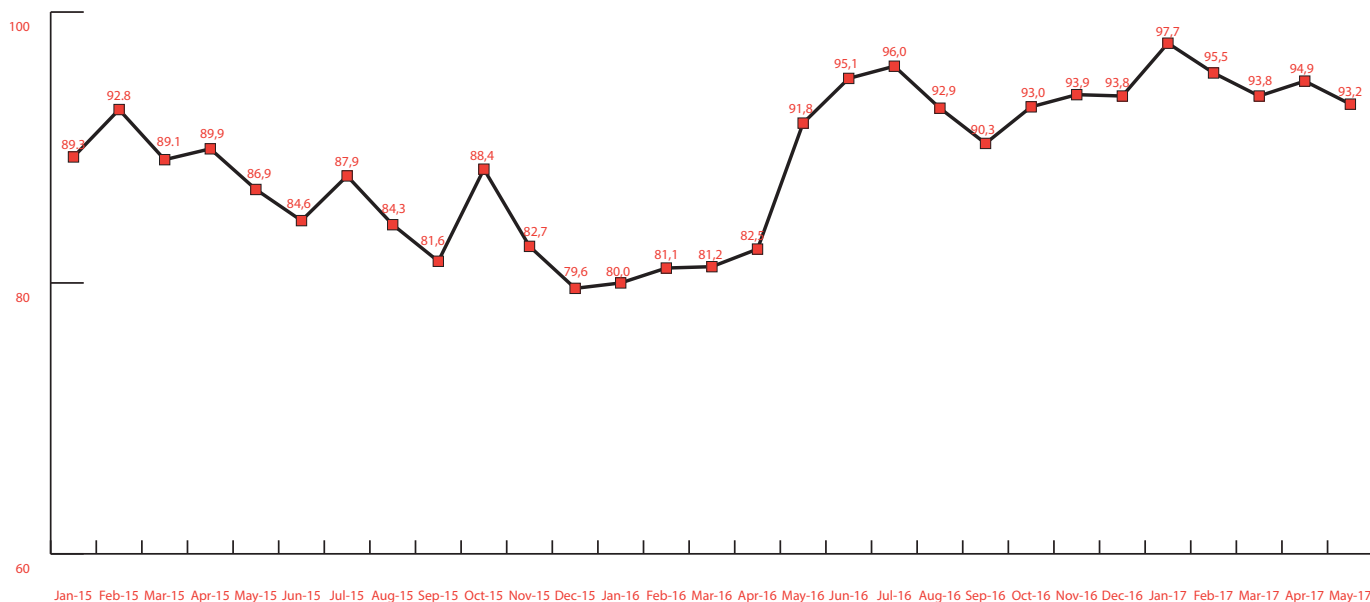
⁴These are only individuals between 15- 64, who are available to work. Amongst those excluded in this age range are those who have retired early, those physically unable to work, those who are still studying, those who are occupied through family responsibility, etc.

⁵This is a measure of the percentage that the active labour force forms, as a percentage of the whole labour force (as above). It measures what percentage of the labour force (15-64 year olds available to work) are either actually working, or actively looking for work.

Unemployment Insurance claims (in Durban and the rest of KZN combined) reached the highest peaks in 2016 in February, May and November. The causes of the high peaks were large scale layoffs in key industries in the province, such as the poultry industry. Temporary formal employment provided to facilitate elections in August 2016 may account for the decline in UIF claims in months leading up August, September and October 2016. The UIF claims office for Durban was temporarily closed since October 2016, which may account for the sudden sharp peak of claims in surrounding KZN offices.

**The UIF claims office for Durban is indefinitely closed. No data is captured for the Durban region until further notice.

SACCI BUSINESS CONFIDENCE INDEX



Source: South African Chamber of Commerce and Industry, 2016

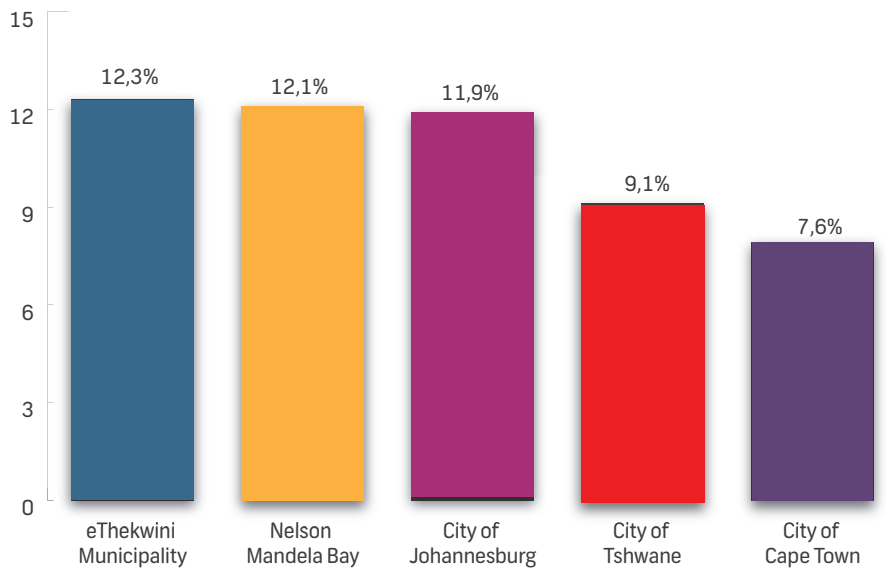
The SACCI Business Confidence Index (BCI) remained almost unmoved from November 2016 with a small decline of 0.1 index points at 93.9 in November 2016 and 93.8 in December 2016.

2016 business confidence was more stable than in the previous year. It increased from 86.4 index points on average in 2015 to 89.3 index points on average in 2016. This may be a reflection of the more stable socio-political environment in 2016, which fared well with business. A clear example is the ongoing collaboration between business and government, as concerted efforts were made to avoid an investment downgrading by ratings agencies (e.g. The CEO initiative announced in the 2017 Budget Speech). While the effects of government and business collaboration are evident in the 2016 average annual business confidence index, the double downgrade by both S&P's and Fitch Ratings Agencies, as well as the change of the Finance Minister, resulted in reduced business confidence. This is also noted by SACCI, which states that "...developments extraneous to the economy abruptly upset the momentum of further improving business confidence..."⁶ Business confidence was notably resilient, however, in April, increasing amidst an ailing economy to 94.9. SACCI warns that the BCI does not yet reflect the medium or long-term effects of the double downgrade.

⁶Business Confidence Index Press Release, Business Confidence Index Press Release, http://sacsi.org.za/index.php?option=com_content&view=article&id=826:business-confidence-index-press-release&catid=7:bci&Itemid=70

OFFICE VACANCY RATES

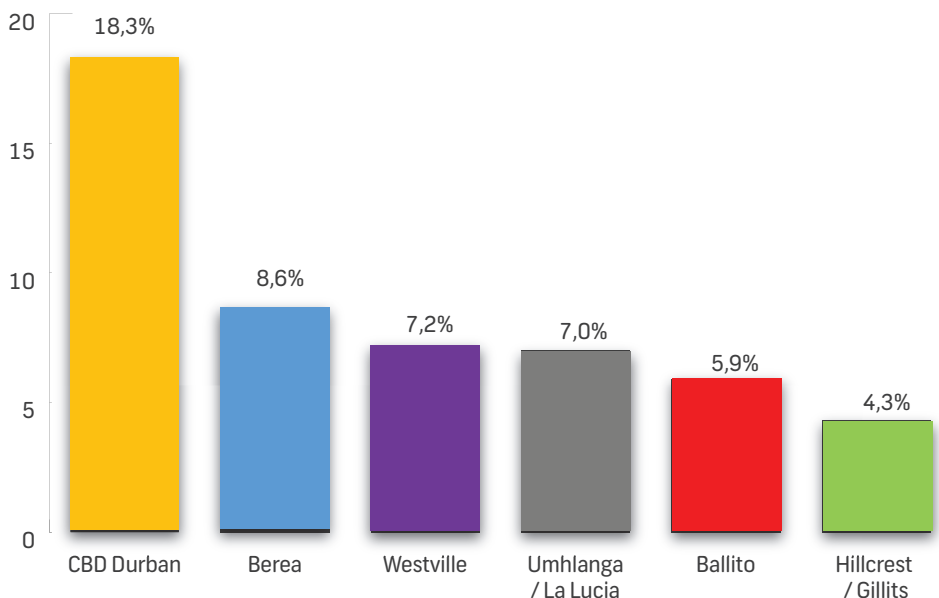
National Office Vacancy Rates (Q4, 2016)



Source: South African Property Owners Association, 2016

The national vacancy rate for December 2016 as recorded by South African Property Owners Association was 10.7%, with an increase of 0.1% from the last quarter. The lowest office vacancy rate at quarter end was recorded for the City of Cape Town with 7.6%. The highest vacancy rate among the listed metro municipalities was recorded in eThekweni Municipality with 12.3%. eThekweni Municipality recorded an office vacancy increase of 1.7% from quarter 3 to quarter 4 2016, which is a slight, but still concerning increase.

eThekweni Office Vacancy Rates (Q4 2016)



Source: South African Property Owners Association, 2016

While office vacancies in all other nodes in eThekweni decreased from quarter 3 to quarter 4 2016, **office vacancies in Durban CBD increased by 32%**. This could be an indication of direct commercial movement out of the CBD, into other nodes. This is of concern as the CBD has been reducing in its relative contribution to rates. Challenges in the CBD have persisted over an extended period of time and have resulted in a sharp downward trend. More concerted effort is needed to address this.

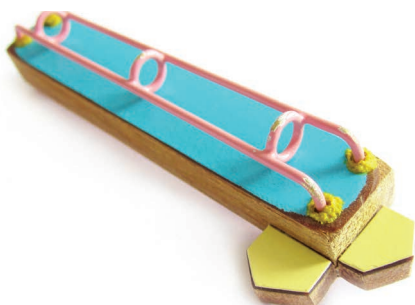
In an effort to address this, there have been initiatives by business and government to resuscitate the inner city. One such programme is the Inner City Regeneration Programme; the main focus of which is to address safety and security, bad buildings, management of informal street trading, outdoor advertising and signage. The effects of these initiatives are still to be seen in office vacancy rates.



THE ARTISAN AS AN ENGINE OF ECONOMIC GROWTH

Thirty thousand artisans per year, by 2030. This is the overarching target the South African government has employed in the quest to develop the country's artisanal skills base. Technically, the goal is not far off, but there are significant challenges along the way.

Before challenges are addressed, it is important to tackle the primary questions. What exactly is an artisan, why are they important to South Africa's economy, and who is responsible for the execution of this goal? This article provides a succinct overview of the entire topic; right from the definition of an artisan, to what national government initiatives have been set up to address challenges in their development.



What is an artisan?

An artisan is a skilled craft worker who is highly proficient with their hands. They manufacture artistic products, technological crafts, or mechanical devices. Artisans also extend into the services industry, but this publication will largely focus on artisans involved in manufacturing. Despite popular misconception, artisans are distinctly different from technicians in that they are not only trained to repair goods, but to conceptualise and create them and as such are inherently, creators.

Most 'every-day', functional man made creations in sight, are directly or indirectly the work of artisans- albeit in an increasingly digitised world. Our cars, houses, televisions, telephones, clothing, furniture and appliances, high end jewellery, and even home décor, are all, in varying degrees products of artisanal work. Examples include motor, computer, television and radio mechanists, diamond cutters and gemstone setters, welders, clothing pattern graders and cutters; all highly skilled and essential skills in the production of goods we so heavily rely on.

Before becoming a certified artisan, candidates must complete training (or have been in the industry for a set number of years), after which they are subjected to an external integrated summative assessment (otherwise known as a trade test) conducted at any certified external trade test provider.

Why are artisans important?

Because artisans are creators and conceptualisers of high value manufactured goods (and services), they tend to add the most value of all labour in the production process. Their high skill levels mean that they are able to beneficiate raw material or basic goods, into complex and intricate products. Their skill levels also mean that they are trained to produce high, export quality. An abundance of artisans in any country, and their correct integration into the manufacturing sector will therefore contribute to an increase in the complexity of that country's export basket. For example; it is often lamented that developing countries export raw materials or basic goods to developed countries, only to import the same materials in beneficiated form, at significantly higher prices. Classic examples of this can be found in the cocoa, steel, and diamond industries. The production, employment and integration of artisans in an economy, is one of the key factors in changing this crippling poverty cycle⁷. To illustrate both this and the importance of artisans, the table below reveals the export baskets of developing vs. developed countries. The red cells indicate simple commodity, or raw material exports (cheaper), which require limited artisanal skills while the green cells indicate complex exports (more expensive), which require extensive artisanal skills. The message is clear. Proper utilisation of artisans results in richer economies.⁸

Table 1- Top 5 Goods Exported per Economy in 2016

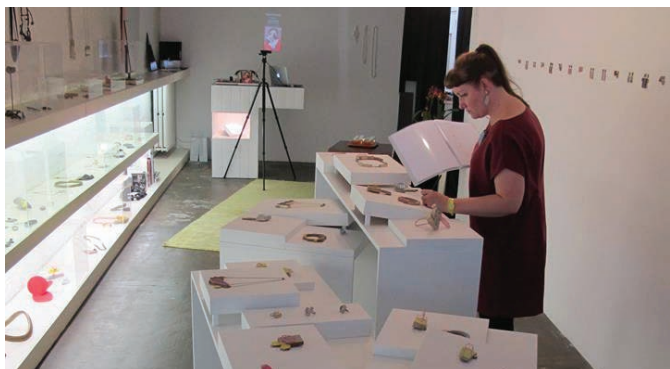
| Nigeria | South Africa | United States |
|--|---|--|
| 1. Mineral fuels including oil: US\$31.9 billion (91.6% of total exports) ⁹ | 1. Gems, precious metals: US\$12 billion (16.2% of total exports) | 1. Machinery including computers: US\$190.5 billion (13.1% of total exports) |
| 2. Cocoa: \$899.1 million (2.6%) | 2. Vehicles: \$9.2 billion (12.4%) | 2. Electrical machinery, equipment: \$167.2 billion (11.5%) |
| 3. Wood: \$279.4 million (0.8%) | 3. Ores, slag, ash: \$7.6 billion (10.3%) | 3. Aircraft, spacecraft: \$134.6 billion (9.3%) |
| 4. Oil seeds: \$279.2 million (0.8%) | 4. Mineral fuels including oil: \$7.1 billion (9.6%) | 4. Vehicles: \$124.3 billion (8.5%) |
| 5. Raw hides, skins not furskins, leather \$216.7 million (0.6%) | 5. Iron, steel: \$5.3 billion (7.1%) | 5. Mineral fuels including oil: \$94.7 billion (6.5%) |

Undeniably, mechanisation and smart production technologies are on the increase. However, even taking automation into account, artisans are relatively resilient and therefore less likely to be replaced than semi and unskilled labour. In semi-automated plants, artisans can still be found; for example, overseeing automation, or working together with engineers in new product de-

⁷ Admittedly, the problem is far more complex than the lack of artisans, and involves other issues such as restrictive import and tax laws and regulations, unfair and poverty perpetuating trade agreements, a lack of investment, etc. Nonetheless, the availability, integration and mobilisation of artisanal skills in developing economies is still a central issue.

⁸ See above footnote.

⁹ Most Nigerian fuel is exported in crude form due to limited refining capacity (raw material), while that in SA and USA is mostly refined first.



development, product improvement, prototype modification and other similar processes.

What are some of South-Africa's problems in artisan development?

South-Africa does not have enough skilled artisans, of significant enough quality to support an industrialising economy. The main issues are systemic, and the DHET has taken a systematic approach to addressing them, although much work still needs to be done.

Minister of Higher Education and Training, Mr Blade Nzimande has compartmentalised artisan development into stages. Included in these stages are career guidance and management of incumbents, learner enrolment/ registration and funding, academic theory; practical training, apprenticeship and work experience placement; trade testing and trade quality assurance. At each of these stages, a vast array of reasons for the country's backlog in artisans can be found. Some of these are discussed.

- Firstly, the production of artisans in the country is a challenge right from recruitment of learners. There is a lack of career guidance for school leavers; where artisanship is often misguidedly perceived as a less desirable, or 'second grade' career. While this perception is slowly changing, interestingly, employment rates are reported to be higher amongst artisans than amongst university graduates, while starting salaries for some trades are reported at R20 000 to R25 000. Even then though, there are multiple, overlapping routes to becoming a qualified artisan, which is often confusing for learners.

- Secondly, TVET colleges are generally less resourced than most universities, brought to light by recent South African Education and Training Student Association (SAFETSA) led strikes on TVET colleges throughout the country. This is despite an increase in the number of students enrolling at these colleges. Even so, artisan training fees are notoriously expensive; right from enrolment at a TVET college, to apprenticeship, and trade testing.

- Thirdly, Minister Nzimande has lamented an existence of varying standards of artisan training across institutions; highlighting 'fly-by-night' trainers, which inevitably produce 'fly-by-night' artisans. Insufficient work placement has also been stressed as a challenge, with many struggling to find apprenticeship opportunities. Recent provision of apprenticeship grants has made this more attractive to employers; although more buy-in is still required by industry.

Recently government has aimed to address this through the

development of a national, non-sector based artisan development programme. The programme administrates all artisans re record keeping, funding, training opportunities, targets, etc, on one database. It is aimed at addressing the lack of a:

- Detailed, accurate, current data for artisan trade prioritisation, workplaces and placement, scientific target setting, monitoring and evaluation;
- Single guaranteed funding model for all artisan trades listed in the Government Gazette applicable to all sectors including a single artisan learner administration and grant disbursement system; and
- Artisan Recognition of Prior Learning (RPL) system that is focused on supporting persons who are working as support workers in the engineering field to become certificated artisans.¹⁰

What are the institutions and programmes tasked with artisan development?

Several institutions are charged with the responsibility of artisan development. Since the list is detailed, comprehensive, and often not coordinated, only the main institutions are discussed. South Africa's artisan development programme is carried out through the DHET's National Artisan Moderation Body (NAMB) through the department's skills development mandate (as per Amended Skills Development Act, Act 97 of 1998). The NAMB is charged with the responsibility of coordinating the development of artisans in the country, mainly through providing the national oversight role for workplace training, trade testing and recognition of prior learning (RPL), as well as assurance and certification of artisans. In order to have a central system or repository of artisans' data, the Department has also set up a National Artisan Development Support Centre.¹¹ The role of the NADSC is record keeping, monitoring and evaluation of artisan development, from the registration for studies, right up to employment. They also oversee the matching of supply and demand of artisan learners to industry needs.

The Sector Education and Training Authorities (SETAs), thereafter, must work out and implement sector skills plans, promote learnerships and hand out funds in their sector. It is this SETA's responsibility to ensure that the needs of the different industries are clearly identified. Having clearly identified these needs, it is the SETA's responsibility to facilitate and introduce initiatives that will enable learners to achieve the necessary education and training in their respective sectors. For example, together with the DHET, one (of a number of) recent programmes to address this, is the German and Swiss dual system of apprenticeship training programme (DSAP) currently being launched in various industrial centres throughout the country.

Three prominent SETAs in Durban, due to the City's sectoral structure include Chieta, Merseta, and the Services SETA, responsible for education and training in the Chemicals, manufacturing and engineering, and services (e.g. tourism) sectors, respectively.

The NAMB, SETAs and TVET colleges collectively raise the profile and importance of artisan development through provinces, districts and local municipality structures. The majority of trade tested artisans in KwaZulu Natal are trained through institutions in EThekweni Municipality.

¹⁰SA Department of Higher Education and Training, The 7 Steps National Artisan Development Centre, <http://nadsc.dhet.gov.za/site/NADSC.aspx>

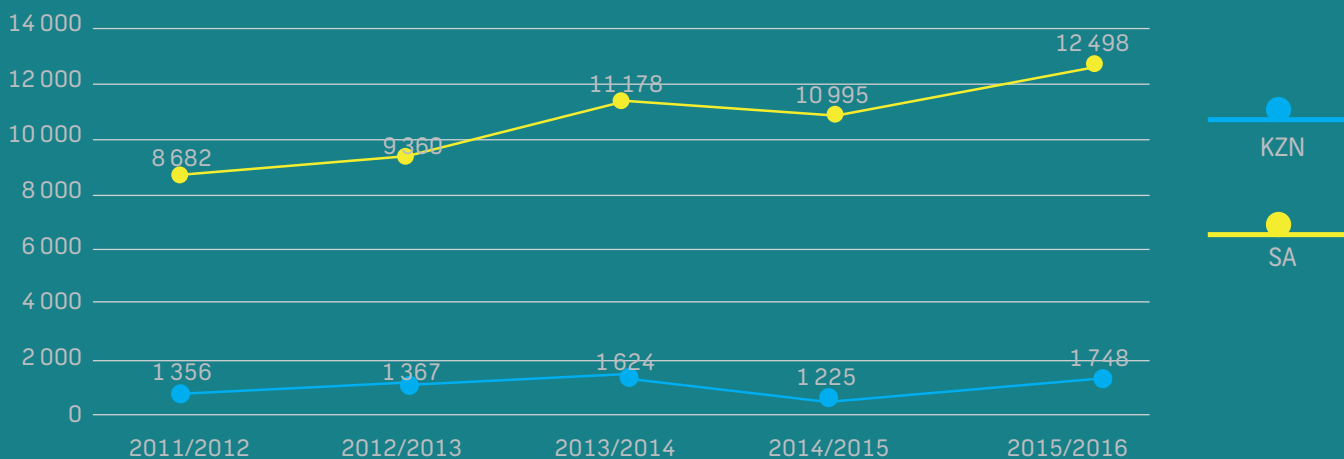
¹¹<http://nadsc.dhet.gov.za/site/NADSC.aspx>

STATISTICS ON ARTISANS

The National Artisan Development Support Centre or NADSC, is responsible for the tracking and tracing of artisan learners from registration, to certification, to employment. In line with this mandate, NADSC has availed national data on artisan development progress. The data indicates that electricians are the most popular artisans produced in South Africa, Gauteng produces more artisans than most other provinces combined, and that, on average women barely make up 20% of all artisans produced in South Africa each year (2012-2016).

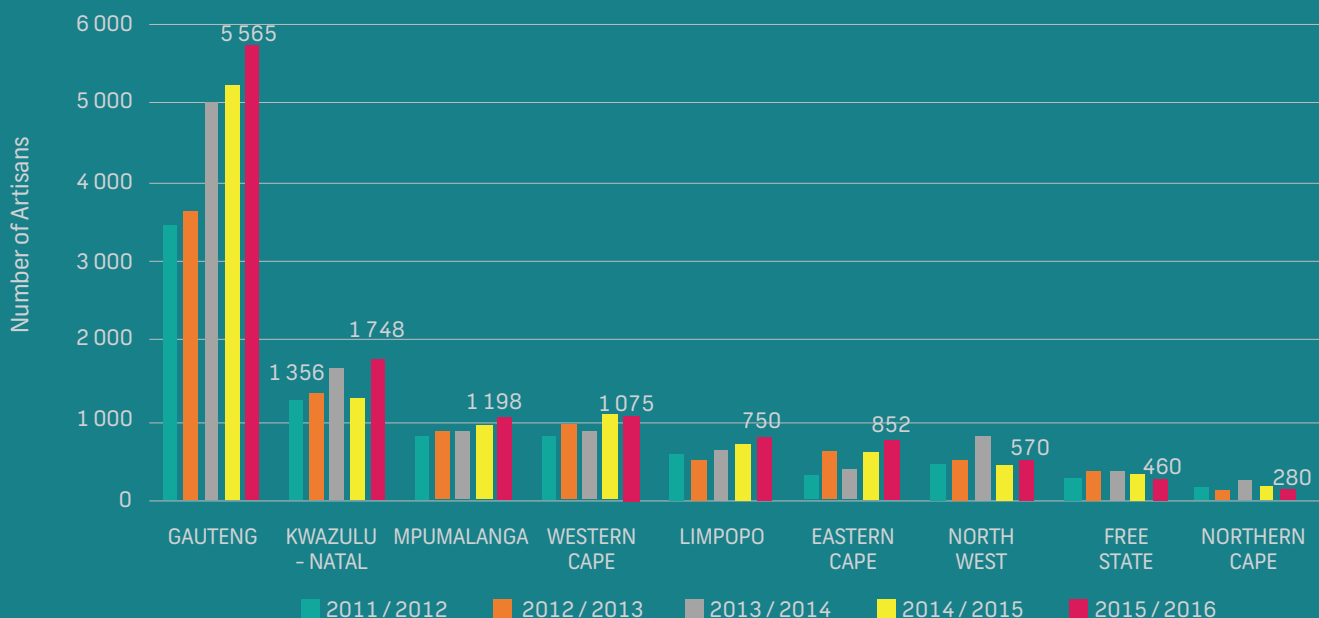
According to NADSC, just under 12 500 artisans were produced in the 2015/16 academic year. KZN accounted for 14% of the country's artisans.

Artisans Produced in SA and KZN 2011/12 - 2015/16



Since 2011/12, there has been an annual 10% growth in artisans produced nationally, and an annual 7% increase in artisans produced in KZN.

Artisans Produced per Province in South Africa

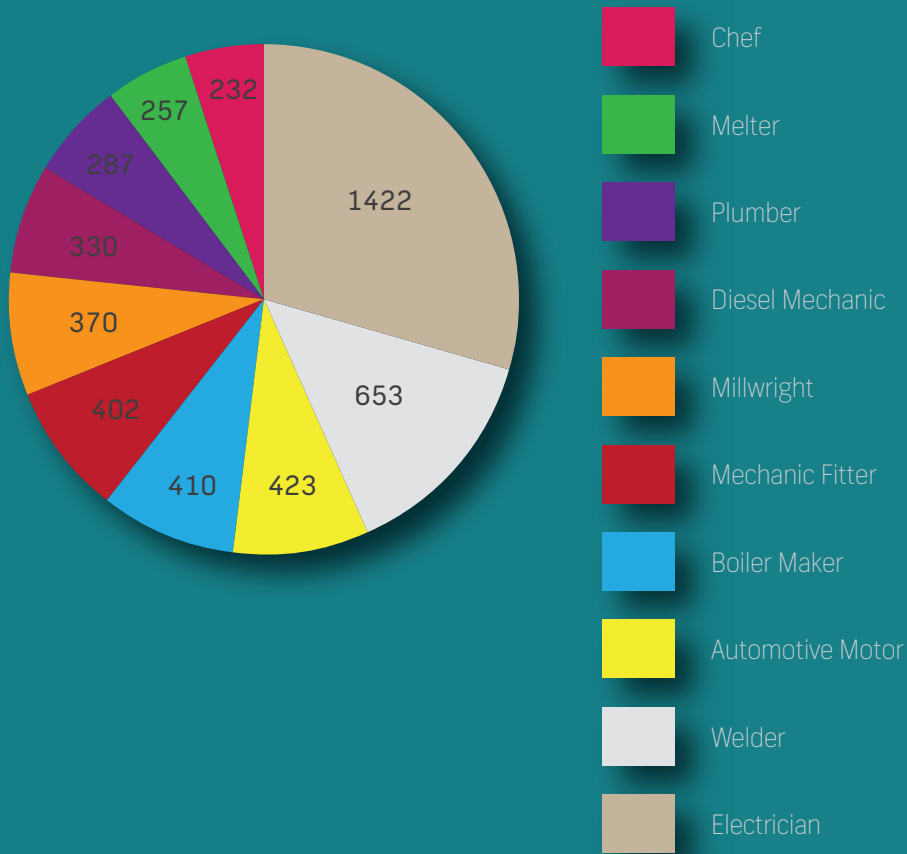


Source: National Artisan Development Centre, 2017

The NADSC recorded that Gauteng produced the highest numbers of artisans from 2011 to 2016. A total of 23,036 were recorded. KZN was the second highest in this period, most of which are produced in EThekweni.

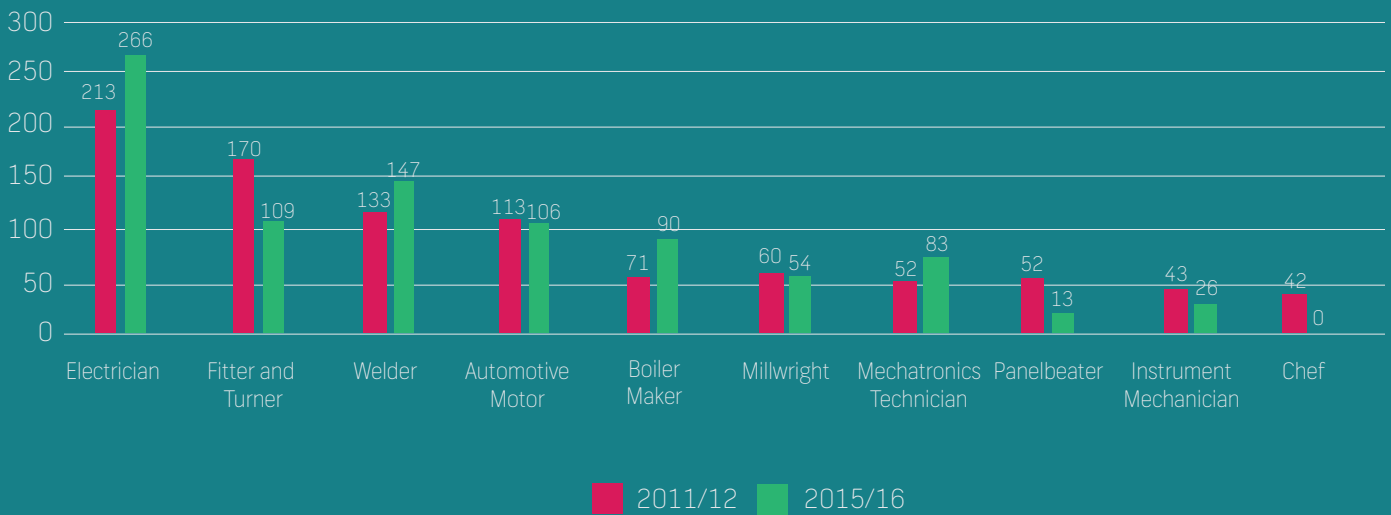
The number of artisans produced in KwaZulu-Natal has increased from 1 356 to 1 748 over this 5 year period; a 28.9% increase. This is significantly lower than the 54.8% and 54.9% increase in artisans produced Gauteng and the Western Cape respectively.

Top 10 Artisan Produced in KZN ('11 - '12 until '15 - '16)

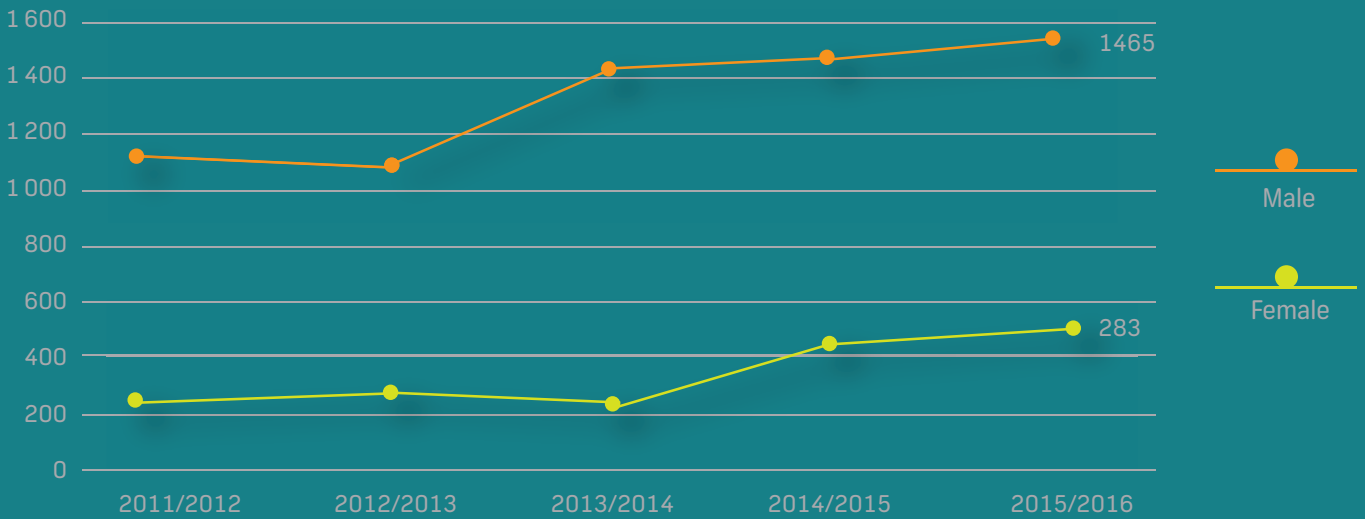


Source: National Artisan Development Centre, 2017

Top 10 Trades Produced in KZN 2011/12, vs 2015/16 Comparison



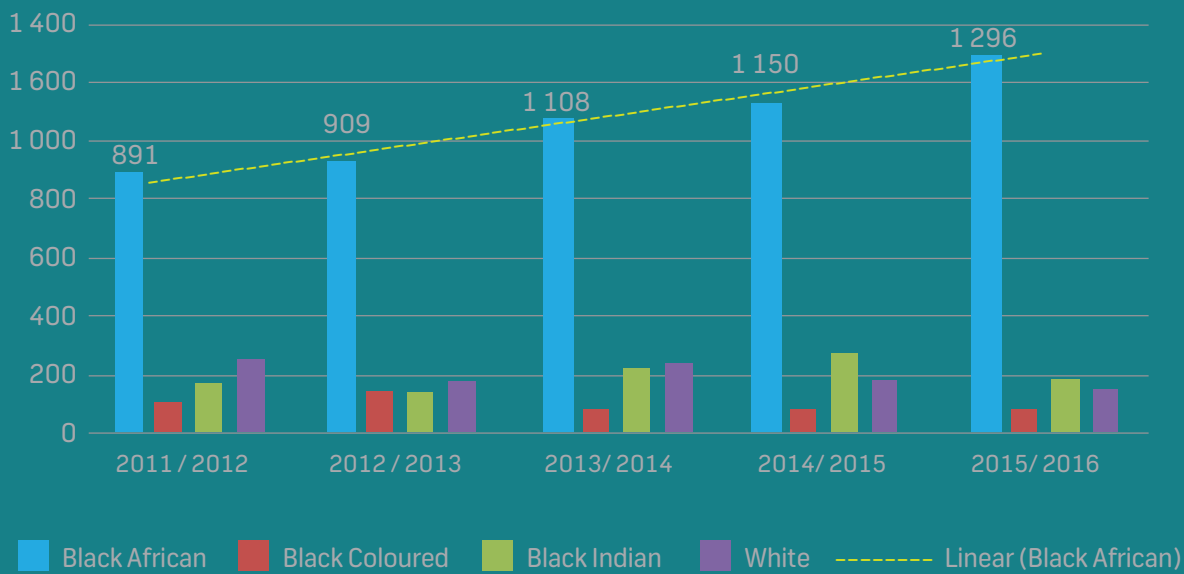
Male Vs Female Artisans Produced In KZN



Source: National Artisan Development Centre, 2017

KZN (much like the rest of South Africa) has significant gender imbalance in artisan development. Over the same 5 year period, of all 7 320 trade tested artisans produced, women only accounted for 18.9%, with very little growth.

Artisans Produced per Race in KZN



Source: National Artisan Development Centre, 2017



INITIATIVES OF ETHEKWINI MUNICIPALITY IN ARTISAN TRAINING

EThekwini Municipality will contribute to the national goal of producing 30 000 artisans, by facilitating the development of 10 000 artisans over the next three years. Currently, Durban produces an estimated 1 200 artisans each year. This means that over a period of three years, we are 6 400 artisans short from our goal.

Commentary by EMA (eThekwini Municipal Academy)

An important goal of the National Development Plan is to train and produce 30 000 artisans by 2030. This does not seem improbable because, according to Dr Blade Nzimande the Minister of Higher Education, TVET Colleges are able to train 15 000 artisans per year (although this figure has not been reached yet). However the most important question is; how many apprentices qualify as artisans, since TVET College graduates are only equipped with theory, and still have to pass trade tests to qualify as full artisans?

One of the main barriers in the development of artisans has been training and development costs. Fees can range between R20 000 and R50 000 per year, depending on the trade. In addition to this, it takes 3 years of practical experience for apprentices (trainees) to qualify as artisans. The more technical a trade is, the more expensive it becomes to produce; and ironically, the more highly demanded it is by industry. Against the backdrop of these challenges, various local government departments have called both the public and private sector to collaborate to achieve the national 2030 target. EThekwini Municipality's Municipal Academy has taken up this challenge on behalf of the municipality.

EThekwini Municipality has set its own target within the national goal; by committing to produce 10 000 artisans every 3 years, a target that it will not achieve without the financial contribution of private sector. It is envisaged that this target will cost R1.3 billion over the 3 year period. In addition, the municipality will also rely on training and development grants from different government departments to achieve this target.

Apart from contributing to the national target, EMA is aligning its objectives to those of Operation Phakisa¹², by aiming to produce artisans employable in the Maritime Sector. EMA also hopes that a sizeable number of the artisans will be absorbed

to work on its maintenance programmes; thus improving the life-span of municipal assets and infrastructure.

Due to financial constraints, EMA has commenced with a pilot, down-scaled version of its artisan development project. While there are a few private sector companies that have contributed and are participating in the project, in order to meet the target, it requires that many other firms also participate and commit to this vision. EMA invites other companies to get involved in this programme which will benefit the firms individually and contribute towards improved economic outcomes in the city.

Elgin Brown and Hamer, DORMAC and eThekwini Municipality Partnership

EThekwini Municipality, Elgin Brown & Hamer and Dormac came jointly to undertake an apprenticeship programme, which intends to address skills needs of different trades in the maritime industry. Targeted trades included fitting, welding, and boilermaking. This programme aims to fulfil the mandate of eThekwini Municipal Academy of eThekwini Municipality, which is to promote and support improved access to quality learning programmes, increase relevance of skills development interventions and build strong partnerships between government and private sector. There are twenty four learners participating in the programme, of which eleven are fitters, nine welders, two boilermakers and two electricians. All parties have shared responsibilities allocated to fulfil the partnership objective. The eThekwini Municipality provides payment for training of the learners, as well as trade testing through the services of an accredited testing centre (Shukela Training Centre). DORMAC and Elgin Brown & Hamer further secures work-place training in respect of the mentorship programme for apprentices concerned, learner stipend and practical training, PPE and the management of training in the selected trades. The programme is proceeding very well.

To partner with EMA and for further information on this initiative, please contact

Mr Mandla Mthethwa
Deputy Head: Skills Development
Tel: 031 311 3286
Email: mandla.mthethwa@durban.gov.za

¹²Operation Phakisa is an initiative of the South African government implement priority programmes identified in the National Development Plan faster and more effectively. Operation Phakisa Projects are in the Maritime, Health and Education Sectors. <http://www.operationphakisa.gov.za/Pages/Home.aspx>

A RESPONSE FROM SETAs

It is repeatedly said that South Africa does not produce sufficient artisans, but which exact artisans are in such high demand? Blindly churning out artisans for the sake of meeting the “30 000 by 2030” target, can harm the country in the long run by producing artisans that are destined to increase the country’s unemployment figures (because their skills cannot be absorbed by industry).

In assessing these questions at a local level, the EDGE team approached one of the City’s key sector stakeholders, CHIETA. CHIETA tackles this by providing the EDGE reader with detailed, yet succinct insight into which of its trades are in short supply and needed by industry, and how exactly this is determined.

CHIETA

The Chemical Industries Education and Training Authority (CHIETA) is a statutory body established by the Skills Development Act 97 of 1998 to facilitate skills development in the chemical sector and ensure that skills needs are identified and addressed

through a number of initiatives by the SETA.

The CHIETA identifies occupations in demand (inclusive of artisan occupations) in the industry in an annually updated Sector Skills Plan (SSP). The SSP contains the sector’s scarce skills list, and includes both scarce occupations identified by industry, and skills demanded through discretionary grant¹³ (DG) applications for training. Both lists are merged into the CHIETA Pivotal/Priority Funding Matrix which lists all occupations within the chemical sector against DG funding, the number of learners for whom funding has been requested, scarcity per occupation, and employment figures per occupation, all from 2013-2016.

Based on the CHIETA analysis of the discretionary grant applications (which represent sector demand), in the financial year of 2015-2016 the highest artisan occupations demanded in South Africa were welders, followed by electricians, boiler makers, mechanical fitters, and fitter and turners. The table below lists artisan occupations against the number of learners who requested funding for these occupations, from 2013-2016 as an indicator of demand.

| Occupation Code 2015 | OFO Occupation Name 2015 | Learners Requested 2013-14 | Learners Requested 2014-15 | Learners Requested 2015-16 |
|----------------------|-------------------------------|----------------------------|----------------------------|----------------------------|
| 2015-651202 | Welder | 743 | 2985 | 3135 |
| 2015-671101 | Electrician | 3014 | 2578 | 2890 |
| 2015-651302 | Boiler Maker | 536 | 6321 | 976 |
| 2015-653303 | Mechanical Fitter | 813 | 664 | 828 |
| 2015-652302 | Fitter and Turner | 1564 | 590 | 691 |
| 2015-653306 | Diesel Mechanic | 626 | 9 | 451 |
| 2015-672105 | Instrument Mechanician | 360 | 400 | 417 |
| 2015-651501 | Rigger | 171 | 130 | 238 |
| 2015-641403 | Civil Engineering Constructor | 631 | 385 | 228 |
| 2015-651203 | Fitter-welder | 1585 | 253 | 124 |
| 2015-653101 | Automotive Motor Mechanic | 200 | 35 | 118 |
| 2015-642607 | Pipe Fitter | 1 | 0 | 73 |

¹³ a grant paid to applicants (employers, training providers and workers and the unemployed) at the discretion of the relevant SETA, for skills development projects in a particular sector, linked to scarce and critical skills in that sector.

| Occupation Code 2015 | OFO Occupation Name 2015 | Learners Requested 2013-14 | Learners Requested 2014-15 | Learners Requested 2015-16 |
|----------------------|---|----------------------------|----------------------------|----------------------------|
| 2015-641201 | Bricklayer | 0 | 0 | 50 |
| 2015-642301 | Fibrous Plasterer | 0 | 0 | 50 |
| 2015-684202 | Blaster | 47 | 50 | 40 |
| 2015-684305 | Quality Controller (Manufacturing) | 5 | 38 | 39 |
| 2015-652201 | Toolmaker | 2 | 5 | 34 |
| 2015-641902 | Scaffolder | 0 | 15 | 22 |
| 2015-671203 | Mechatronics Technician | 1 | 0 | 21 |
| 2015-652301 | Metal Machinist | 152 | 40 | 20 |
| 2015-642701 | Air-conditioning and Refrigeration Mechanic | 0 | 45 | 20 |
| 2015-642702 | Refrigeration Mechanic | 2 | 0 | 20 |
| 2015-643101 | Painter | 63 | 0 | 17 |
| 2015-671202 | Millwright | 197 | 240 | 11 |
| 2015-641501 | Carpenter and Joiner | 0 | 0 | 1 |
| 2015-642603 | Gas Practitioner | 80 | 23 | 0 |
| 2015-651401 | Metal Fabricator | 9 | 0 | 0 |
| 2015-642601 | Plumber | 0 | 1 | 0 |
| 2015-641303 | Refractory Mason | 0 | 2 | 0 |
| 2015-671204 | Lift Mechanic | 0 | 306 | 0 |
| 2015-681105 | Poultry Slaughterer | 6 | 0 | 0 |
| 2015-671205 | Weapon Systems Mechanic | 1 | 0 | 0 |

CHIETA collects information on scarcity in the chemical industry from Workplace Skills Plans and Annual Training Reports (WSP-ATRs) submitted by CHIETA levy paying companies. Scarce skills can be specified skill-sets or occupations of which there is a scarcity of qualified and experienced people, currently or anticipated in the future, either because such skilled people are not available or they are available but do not meet skills related employment criteria. Scarcity can also be absolute or relative.

In the chemical sector, as of March 2016 WSP-ATR submissions, 28% of the employers reported skills shortages in the sense that they could not find suitable people to fill positions in their organisations. The total number of vacancies reported was 1 909; this

equates to only 1.1% of the total number of positions in the industry. Thus the overall impression is that the chemical industry is currently not experiencing major skills shortages. However skills shortages are experienced at the specialisation level within key occupations.

The scarce skills table below lists artisan occupations identified by CHIETA levy paying companies. The occupations have been shortlisted to reflect only artisan occupations based on the following criteria; more than a total of 5 vacancies identified,

more than 2 organisations that identified the scarcity, and more than 2 percent vacancy of total employment. They have been ordered according to the latest scarce skills submission of 2015-2016. Alongside each occupation and number of scarcity identified, there is a total employee count of the occupation in the Sector for comparative purposes. Millwright has the highest rate of scarcity followed by Mechanical Fitter, Gas Practitioner, and Diesel Mechanic.

| Occupation Code 2015 | OFO Occupation Name 2015 | Scarce Skills List 2014-15 | Scarce Skills List 2015-16 | Total in Occupation 2014-15 | Total in Occupation 2015-16 |
|----------------------|--------------------------|----------------------------|----------------------------|-----------------------------|-----------------------------|
| 2015-671202 | Millwright | 26 | 49 | 1 125 | 1 010 |
| 2015-653303 | Mechanical Fitter | 36 | 37 | 981 | 1 458 |
| 2015-642603 | Gas Practitioner | 0 | 9 | 31 | 19 |
| 2015-653306 | Diesel Mechanic | 15 | 6 | 202 | 195 |

Prioritising occupations is a difficult task. Focusing on the highest count of either learner training intervention requests or scarcity to determine priority will certainly overlook critical occupations that may not be as in demand or have a high scarcity rate. The occupations listed in both the scarce skills list and the DG lists are priority artisan occupations in the sector. Thus the CHIETA has applied an extensive methodological approach that rates occupations based on scarcity, demand, and considers stakeholder inputs. The rating criteria look at DG requests from 2013-2016, scarcity from 2014-2015, identified Strategic Integrated Projects (SIPS) occupations, and the List of Occupations in High Demand by Department of Higher Education and Training (DHET). The PIVOTAL list and CHIETA Pivotal/Priority Funding Matrix is the CHIETA SSP which is downloadable from the CHIETA website.

Asked to comment on the same issue, MERSETA, custodian for several of the EThekweni's top sectors; also provides the EDGE reader with some of its key skills in high demand. In addition, MERSETA lists some of the key challenges in addressing the problem of artisan development.

MERSETA

All SETAs are on track to produce the required artisans by 2030, but the capacity for work placements and state of readiness by TVET graduates to enter into artisan programmes are a challenge. TVET colleges are producing what industry requires, but only to a certain degree. Industry stakeholders have expressed concern about the practical component of certain TVET studies. The main challenge is the workplace experience required to produce an artisan in that the workplace cannot absorb the numbers coming through different learning areas such as National Certificate Vocational (NCV) and N- courses.

The list of trades in highest demand in the manufacturing, engineering and related services sectors, are listed below:

| Occupation Trade | Specialisation |
|---------------------------|--------------------------|
| Metal Machinist | Fitter-machinist |
| Metal Machinist | Turner (Metal) |
| Boiler Maker | Boilermaker-welder |
| Panelbeater | Automotive Body Repairer |
| Automotive Motor Mechanic | Automotive Mechanician |

In order to address artisan development challenges, the merSETA has partnerships with TVET colleges to bridge the gap between industry and the TVET college sector, and also participates in TVET college curriculum development to ensure they are in line with industry requirements and in line with QCTO occupational trade curriculum. In addition, proper career guidance is required for those who may want to become artisans, and the notion that artisanship is for those who cannot go to universities must be done away with.



merSETA
MANUFACTURING, ENGINEERING
AND RELATED SERVICES SETA

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Durban

RESPONSE FROM TVET COLLEGES

TVET Colleges¹⁴ were also approached for a trainers' perspective, and potential solutions for challenges around artisan development. Coastal KZN, and Elangeni Colleges, also provided an overview of their activities, their approaches toward the 4th Industrial Revolution, and their views on how business and government can assist them in artisan development. Both colleges highlighted the need for business to be more active with Work Integrated Learning, and the need for business to be more active in TVET colleges' activities. The Provincial Steering Committee on Artisan Development was highlighted as a starting point; but this was seen as being insufficient for the depth of collaboration needed.



The EDGE team first interviewed
Mr Jonathan Kieser, Manager: Coastal KZN TVET College

Q: Firstly, what are some of the college's best successes, and accolades, in producing artisans for the City and country?

A: Coastal KZN TVET College contributes to Technical and Vocational training in Durban and surrounding areas. As a College we have realised the importance of producing artisans therefore we are now training artisans through "Apprenticeships and Learnerships". We have set up special units dedicated to this. A civil unit in Hammarsdale does skills, Artisan and Trade testing. This unit is offering Bricklaying, Plumbing, Construction Carpentry, Plastering and Tiling, Painting and Decorating. We have trained members of the South African Defence Force in Civil trades. There was recognition that the Maintenance and development of Defence Force Facilities and Infrastructure had become a priority. For the Department of labour, we have trained unemployed youth to be qualified (Trade Tested). Additionally, trainings were offered to the Department of Health, Public Works and the Municipality.

Q: Manufacturing employers in the City have often lamented a mismatch in skills produced and those required, also often complaining of the quality of graduates. What are some of the challenges in producing artisans for the City?

A: Producing artisans in the city encounters different challenges. Firstly, the struggle to attract suitably qualified and experienced people to become instructors as the pay rates are much lower than what the artisans are earning in industry. Especially in the TVET College Sector.

Secondly, companies see colleges etc. as opposition as they also offer training. Some companies see training as a money generating opportunity. In addition to that, companies are not offering our under experienced lecturers/instructors opportunities for Work Integrated Learning (WIL). Through this, a huge number of qualified and experienced lecturers retiring and exiting and students we are training are battling to get their Work Inte-

grated Learning component of their training. Companies have no incentives to assist in WIL. They see it as a burden. Another challenge the city encounters in producing artisan is the lack of willingness from companies to work to a common goal. Lastly, I believe that there is a lack of funding too.

Q: We're increasingly told that artisans need to be up skilled in preparation for the fourth industrial revolution, or this could increasingly make their skills redundant. What is the best way that TVET colleges can prepare for this, what initiatives, if any, has Coastal College undertaken, and what support is required by TVET colleges from business and government?

A: As we are aware the same curriculum for artisan training, including the trade testing, has been offered for over 50 years including the trade testing. Therefore the National Artisan Body (NAMB), Quality Councils for trades and Occupations (QCTO) Sector Education and Training Authorities (SETAs) have been involved in developing the new QCTO occupational and vocational programs. Some are complete and others are still in the development process. These new qualifications have been developed by all role players, most importantly industry. These qualifications will incorporate all the new technological developments that have come about. Therefore the nine colleges in the Province now serve on the Provincial Artisan Development Steering Committee (PADSC) that has been established through NAMB. This committee is to address the best practices for artisan training, address challenges and be responsive to skills needs in the province.

Colleges are now niching and becoming colleges of specialisation addressing the needs of industry within their footprint. Our campuses are therefore now independently specialising in different trades as we are trying to avoid duplication.

Q: What is the best way that business, government and technical colleges can work together to reach the national and City goal?

A: We presently have the Provincial Artisan Development Steering Committee (PADSC) as well as the Provincial Skills Development Forum. However, this is too general, we need to have specialist committees and Forums that deal specifically in certain fields. E.g. Automotive, Maritime, Civil, Chemical. This would be specialist people who know what is happening on the coal face.

Other ways that business and government can assist TVETs with artisan development are:

- To, number one, help with Infrastructure development and assist with funding towards this.
- Assist with the development of lecturers
- Open up work places for lecturers for work integrated learning experience
- Open up work places Work Integrated Learning (WIL) for students in Apprenticeships and learnerships.
- Assist with career guidance
- Assist in offering developmental workshops in technological advancements

¹⁴It must be noted that in the past TVET Colleges responsibility was not to train artisans. Our purpose was to offer NATED programs from NTC 1 to NTC 6. Companies would release their apprentices to study at the college for a trimester in order for them to obtain a minimum of NTC2 to do their trade test and also obtain the knowledge component of their respective trades. However, the landscape has changed and TVET Colleges have been mandated to offer apprenticeship and learnership training.



- Assist with donating equipment
- Assist with learning material development
- Have specialists come and guest lecture at the college
- Help towards maths development as this is where Industry has recognised the worst performance.
- Career guidance and technical marketing of artisans needs to



Elangeni College
For Further Education and Training

be promoted at the basic school education systems as it happens in most overseas schools.

Mr Andrew Duthie: IT and Engineering Faculty Head of Elangeni College was also approached with similar questions. His answers, carry a similar call for business and TVET college partnerships.

Q: Firstly, what are some of the college's best successes, and accolades in producing artisans for the City and country?

A: Elangeni TVET College, unfortunately does not have any accredited trade test centres at the moment, we are therefore unable to produce artisans. We are in the process of registering trade test centres at the following campuses:

- a) Ntuzuma Campus – Welding Trade Test Centre
- b) KwaMashu Campus- Refrigeration Trade Test Centre
- c) KwaDabeka Campus-Electrical and Automotive Trade Test Centres

We have offered numerous skills courses with great success, some of these being community house building, plumbing, furniture making, bricklaying, and welding. These are up to 6 months in duration and are extremely popular. Students attend N1-N6 offerings in Mechanical, Electrical and Civil Engineering and through the efforts of our Student Support Unit some get placed for the Work Integrated Learning. When that is completed, they can register to do their trade test at an accredited trade test centre.

Q: Manufacturing employers in the City have often lamented a mismatch in skills produced and those required, also often complaining of the quality of graduates. What are some of the challenges in producing artisans for the City?

A: The solution to the challenge is for businesses to twin with colleges in their area and send their students to the colleges to do their theory and workshop practicals, after which the students would return to their employers to complete Work Integrated Learning, then once that is completed to write their trade tests. By having this communication, the two entities would understand what is required from them.

Q: What is the best way that business, government and technical colleges can work together to reach the national and City goal?

A: Businesses and colleges must work in partnerships, colleges being businesses training partners and businesses being colleges' Work Integrated Learning partners. Government could provide support to businesses making it attractive to follow the apprenticeship route while providing colleges logistical and resource support.

Q&A: PROFILING ARTISANS

In order to understand the human face behind the theory, the EDGE team interviewed 6 artisans, including employed, unemployed, local and international male and female in a mix of careers. Discussions with the artisans revealed many interesting facts.

**“Building anything from scratch and seeing the end result is something that makes me very proud” –
Msizi Dlamini - Red Seal Trade Tested Welder (unemployed)**

The objective of the interviews was to, first-hand, understand the experiences of artisans, and provide them with an opportunity to profile their own careers. The interviews revealed that artisans are generally very passionate about creating, and thoroughly enjoy working with their hands. Their tangible skills; make it (theoretically) easier for them to become entrepreneurs. Conversely, those that neither have the capital to start their own businesses, nor formal working experience from previous jobs, struggle to enter the industry.

UNEMPLOYED ARTISANS

Artisan profile 1:

Sivuyile Ntanjana – 28

Trade Tested Boilermaker

(unemployed for 7 months)

EDUCATIONAL & ARTISANAL BACKGROUND

Q: Can you tell us a bit about your educational background?

A: I'm qualified as a boilermaker. I studied at the Transnet School of Engineering, for three years, I also have a three-year diploma in Mechanical Engineering from the Durban University of Technology.

Q: What special skills has your qualification enabled you to do?

A: Since been qualified as a boilermaker, I can create (developments and fabrication), repair and replace. I can read engineering drawings, weld and use different machines/tools.

Q: What do you enjoy most about your profession/ your studies?

A: I like everything that I can do with my hands. Choosing between any of the skills is impossible since I really like everything.

Q: Why did you choose to become an artisan?

A: I wanted to be able to use my hands in an engineering sector, and wanted to being an add value to the production in companies. By doing this, I hope to contribute to the growth of our country.

CURRENT EMPLOYMENT SITUATION

Q: How long have you been unemployed?

A: 7 months already and it's frustrating that no one wants to hire an artisan without formal work experience. All companies I approach want to hire experienced

employees. You need to have at least two years of experience.

ASPIRATIONS

Q: If you could talk to your future employer, what could you say?

A: I would say that I am a passionate, hardworking, dedicated person who's good with my hands, and that I could be a great help in the growth of the any company.

Q: Where do you see yourself in 5 years?

A: I see myself working for a big company and contributing to its production and growth. I also see myself helping inexperienced artisans because I know what a struggle it is to be one.

Artisan profile 2:

Msizi Dlamini - 29

Red Seal Trade Tested Welder

(unemployed for 1 year 5 months)



EDUCATIONAL & ARTISANAL BACKGROUND

Q: Can you tell us a bit about your educational background?

A: I studied at the Transnet School of Engineering for four years. I graduated as a qualified welder.

Q: What special skills has your qualification enabled you to do?

A: I see myself as an all-rounder. I can do a range of things, from building a gate

to building a stand for your TV! I am a plumber as well, although I do not have a qualification for this.

Q: What do you enjoy most about your profession?

A: Building anything from scratch and seeing the end result is something that makes me very proud. I enjoy every step of the product making process.

Q: Why did you choose to become an artisan?

A: I grew up in a rural area so I was never exposed to any engineering companies. I now moved to Durban for my studies, and I decided to do some weekend work. From that time, I fell in love with welding, as I had to assist other artisans/welders in their work.

CURRENT EMPLOYMENT SITUATION

Q: How long have you been unemployed?

A: : One year and five months! I think companies prefer either experienced employees, and or students who are working as interns. Or it could be that companies may not have enough money to hire us because of economic pressures?

ASPIRATIONS

Q: If you could talk to your future employer, what would you say?

A: I'm confident, and a real team player with an open-mind, who works well under pressure, and loves being a welder. I will do anything to make your company grow, even internationally. International assignments are no problem.

Q: Where do you see yourself in 5 years?

A: I want to start my own business, but I do not have the ability to finance the cost of the machines. So I see myself first employed as a welder. In the later future I want to train artisans in a training centre

of my own business.

ENTREPRENEURS

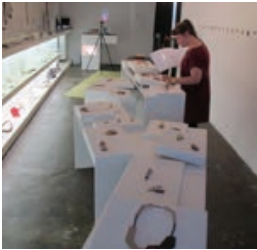
Artisan profile 3:

Karen Vanmol - 24

Belgian Artisan –

Jewellery www.karenvanmol.com

EDUCATIONAL & ARTISANAL



BACKGROUND

Q: How did you become an artisan?

A: When I was a little girl, I always busied myself with creating and making things. I loved looking in my garden for useful material to make things; instead of using ready-to-play toys. I even went as far as creating things with the leftover concrete and timber from my father who was an avid (re)builder. In fact, I still do it and I love it!

Q: Can you explain the certificates and qualifications you have?

A: I have a Bachelors and Master's degree in Jewellery Design and Silversmith from the Royal Academy of Fine Arts (Dutch: Koninklijke Academie voor Schone Kunsten) which is an art academy located in Antwerp. In addition to these courses, I followed more technical training to become a goldsmith for which I have a qualification. On top of that, I'm a recognised designer of Design Flanders (now: Flanders District of Creativity). My jewellery is often selected for prizes and awards.

Q: Is there a specific system in Belgium you need to follow to be a recognised artisan?

A: Since I make jewellery, I don't need a specific certificate/qualification to be recognised. However, we have several institutes that give qualifications. For example, Design Flanders gives qualifications to people who pass assessments by professional judges. Another qualification you can acquire is the HANDMADE IN BELGIUM authenticity label. UNIZO (Dutch: Unie voor Zelfstandige Ondernemers) recognises producers of genuine, traditional quality products.

CURRENT EMPLOYMENT SITUATION

Q: How easy was it to get into the indus-

¹⁴ www.christyannejewellery.com

try?

A: When you graduate, it's important to be seen! I participated in a lot of challenges and open calls, hoping to be selected to take part in exhibitions. The exhibitions are a good opportunity for your work to be seen all over the world. Challenges and open calls are also very good opportunities but your selection lies in the hands of others. You can only work hard and hope your work attract the public.

Q: How does your average day on the job look?

A: I am an artisan, but also an entrepreneur. I teach for a few hours, work for a goldsmith and run my own business. Even in my own business, I would love to say that I make jewellery all day, but I can't. I need to answer emails, follow up my orders and make order lists, go to the post-box, look for material, and carry out many other administrative tasks. Another important aspect of the job is keeping track of your payments. Also, since I take pictures myself, I need to edit them so they can be used in books, publications and catalogues.

Q: What is your starting salary?

A: As with every entrepreneur starting their own business, you start with nothing and your income goes up each year. In the future, I'm hoping to get an income which measures up to the time I spend working. Reaching this goal takes time though.

Q: What do you like the most being an artisan?

A: What I like the most about being an artisan the first place is making things. I love to make or create my own jewellery.

Artisan profile 4:

Christy-Anne Scholtz – 31

Artisan Jewellery¹⁴

www.christyannejewellery.com



Q: How did you become an artisan?

A: Growing up I had always had a love of making things; I would find bits and piec-

es of things around the house to make for my games or toys. As I grew up I think I realised that I enjoyed the process of making as a creative outlet, and the satisfaction and reward of ending up with something you have made out of 'nothing'.

Q: Can you explain the certificates and qualifications you have?

A: I studied my Bachelor of Technology in Jewellery Design and Manufacture at the Durban University of Technology.

Q: How easy was it to get into industry?

A: The jewellery industry in South Africa has traditionally been quite male-dominated so as a woman starting up in the industry it is a challenge to be taken seriously by your contemporaries. I started my own business fresh out of studying and it has been a long, slow journey but I feel like I have definitely found a niche within my industry and have been successful in what I do. I think the jewellery industry world-wide is facing new challenges and exciting new developments as emerging technology filters in to an age-old craft, and new ideas develop in how to merge or separate the two.

Q: How does your average day on the job look?

A: As a small business owner I am not only the artisan who makes the products; I am the sales person, admin clerk, delivery man, buyer etc. This means everyday looks different for me. Generally, I wake up at 6 and head straight to my computer to work on quotes, invoices, emails etc. I get to work at 8am where I get started with manufacturing. Throughout the day I will be bouncing between my bench where I am manufacturing and meeting will clients that come in, sourcing stones and metal, picking up packaging, delivering jewellery and emails and phone calls. I will often stay into the evening to have concentrated manufacture time because it requires a focused eye and mind.

Q: What is your starting salary?

A: I would say my case is slightly different as I didn't start off in the industry as an employee. I was putting most of my earnings back into my business to buy equipment but I think I started out paying myself R2000 a month.

Q: What do you think government, schools, SETAs etc. can do to encourage more of them?

A: Our government is currently running

quite a few training programs for skills development in our industry which is great to see. There is however a big problem with employment once these students are trained. The local jewellery manufacturing industry is diminishing considerably due to the influx of imported products from India. Although our product is much better, we cannot compete with the prices and unfortunately the consumer thinks of price not quality.

I think it would be a fantastic approach to not only equip the students with manufacturing skills but to also give them business training and a small amount of capital to invest in starting up some new businesses.

Q: What do you enjoy most about being an artisan?

A: I absolutely love the reward of making. The process of problem solving, thinking with your hands, starting from 'nothing' and seeing your end result is incredibly rewarding.

EMPLOYED ARTISANS

Artisan profile 5:

Khulekani Nyalungu - 34

Trade Tested Toolmaker

Working for a manufacturing company.



Q: How did you become an artisan?

A: I got inspired by my bigger brother who qualified as a toolmaker in 2006. He often came home with nice drawings and stories about his work. This inspired and interested me, and brought me into the artisan's world.

Q: What did you study and what are your qualifications?

A: I have a background in grade 12 Maths and Science. In 2011, I started with the TDM Powered Programme¹⁶ hoping to become a toolmaker. A few years later, I'm officially a trade tested toolmaker.

Q: How easy was it to get into industry?

A: It was not easy at all! I had some prob-

lems with the TDM programme certificates because they were not fully recognised by companies in SA, although they are recognised overseas. I was very lucky to get this job; thanks to the relations my current company has with the TDM Powered Programme.

Q: How does your average day on the job look?

A: Most of the time, I repair moulds.

Q: What is your starting salary?

A: When I was in phase 3 of the programme – which is on the job training - I received a stipend of R500. At the moment I'm earning R55/hour as a starting salary.

Q: What do you enjoy most about being an artisan?

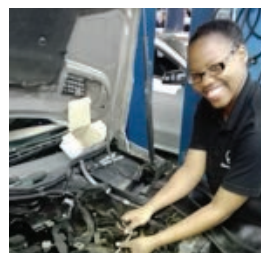
A: I like working with my hands and it's interesting to work with things you can see daily. It satisfies me!

Artisan profile 6:

Mosa Mphahlele - 22

Trade Tested Automotive Motor

Mechanic for Mercedes Benz (Durban).



EDUCATIONAL & ARTISANAL BACKGROUND

Q: How long did it take you to become an artisan?

A: I am not an artisan as yet, but I love the sound of it. I still have a long way to go. I have only completed the first year of my four year apprenticeship program. And in the year that I have been here I have to say I have learnt a lot and there's still so much more to learn.

Q: Can you tell us a bit about your educational background?

A: I studied fitting and machining and obtained my N5 certificate at Tshwane South TVET College. The theory that I have grasped from college makes much more sense now that I am applying it practically. We had to have a good imagination taking all the information in with-

out a physical illustration.

CURRENT EMPLOYMENT SITUATION

Q: How does an average day on the job look?

A: There's never a dull moment. Especially as a woman working in a male dominated workshop. There's always something new to learn, like new features on a latest car. But on an average day I would perform a services on a couple of cars, replace brake pads, headlights and taillights. Attending to problems on a car that a customer did not complain or know about suggests good customer service too.

Q: What is the starting salary as an apprentice?

A: As an apprentice the starting salary is not much. I think going into the program you must not be money focused. This is more about an opportunity given to learn about the trade and earn the necessary skills on the job. An apprenticeship is ideal if you're young and inexperienced, because it enables you to earn cash while you learn your trade.

Q: What do you enjoy most about being an artisan?

A: It gives me great pleasure when I've been working so hard on a problematic car, and when I take it for that final test drive it's running smoothly. And also being a mechanic does not restrict my ability only to work, but it also means that in the future I don't have to pay somebody else to do the job on my car. Auto mechanics get asked for car advice a lot; my knowledge could possibly save friends and family a lot of time and money.

OTHER COMMENTS

Q: What do you think the government, schools, SETAs etc. can do to encourage more artisans?

A: I think the government should encourage schools to have more open days for high schools to inform them of the high demand and great experience that could be attained during these apprenticeship programs. And the TVET colleges should consider providing basic practicals in preparation to entering the world of artisans in the 21st century

If you would like to contact the artisans, please contact:

tshegang.chipeya@durban.gov.za

¹⁶The TDM Programme is an initiative of the Department of Higher Education and Training (DHET) which aims to build capacity from the level of TVET colleges to universities of technology, in support of the DHET's new Qualification and Quality Council for Trades and Occupations and new National Qualifications Framework.
- www.tdmpowered.co.za

INITIATIVES IN SKILLS DEVELOPMENT IN PRIVATE SECTOR, CIVIL SOCIETY, AND GOVERNMENT

Apart from TVET colleges and national government; other sectors of society also play a key role in the development of artisans. The Durban School for the Hearing Impaired, Southern African Shipyards, and the set of Uzalo, all contribute to the development of artisanal skills in the City.

DSHI SCHOOL FOR VOCATIONAL PREPARATION



Mr Kapil Maharaj, Acting Principal: Durban School for the Hearing Impaired

Tucked away from the busy CBD of Amanzimtoti on the Durban South Coast, Durban School for the Hearing Impaired provides an ambient and idyllic surrounding for about 250 deaf, hard of hearing, intellectually challenged and autistic learners.

This special school has been in existence for 47 years and has been striving to produce excellence in the field of LSEN (Learners with Special Education Needs) education since its inception. The school has two campuses, housing a state of the art kitchen, computer room, hall, woodwork room and a swimming pool. While integration takes place on all levels, learners are streamlined into different fields of study to maximise their abilities.

An academic programme following the CAPS¹⁷ curriculum is offered to deaf and hard of hearing learners. The school also offers skills-based programmes in the TVET phase. Courses in NQF 1 to NQF 4 have been offered from 2010. Learners at this school have engaged in an NQF qualification in Metalwork through a joint effort with MERSETA and SHEETECH SA. The programme has proved very successful with learners graduating from 2010 as follows:

| Qualification | No. Learners |
|---------------|--------------|
| NQF 1 | 29 |
| NQF 2 | 28 |
| NQF 3 | 21 |
| NQF 4 | 14 |

¹⁷Curriculum Assessment Policy Statement



More recently, learners have been offered a NQF level 2 qualification in the Cook, Cleaning and Convenience Food (CCF) course offered at the school in accordance with National Institute for the Deaf in Worcester. While lessons are held in school, all tests and moderation is done by facilitators from the Institute. In addition, 6-8 week practicals are done at restaurants, B&Bs, and cleaning service companies. Learners have gone on to complete this course and have enrolled and completed an assistant chef's course at the Institute. One such learner has qualified at the Institute and is now a sous chef at the Protea Hotel on the Durban Beachfront.

They will do well in semi-skilled and unskilled types of vocations, hence an appeal is made to business and cooperates to employ these learners as office cleaners, and so on.

One challenge faced at schools catering for learners with disabilities, is a learner having multiple disabilities. They have severe limitations, hence a very functional programme is offered to them, which includes practical subjects such as beadwork, woodwork, needlework and sewing, permaculture, basic computer skills, and basic cooking and kitchen cleaning skills. Over the years we have managed to place learners from this group at Durban South Toyota in the wash bay, and were given driving positions. These learners will do well in semi skilled and unskilled types of vocations, hence an appeal is made to business and cooperates to employ these learners as office cleaners, and so on.



In the academic field, matriculants have gone on to tertiary education and have joined the workforce in the teaching and IT fields especially. Their successes through the years have been exceptional and has spurred the school management to provide greater opportunities. However, the challenges have been daunting in this respect.

One of the major challenges that the school faces is a lack of resources; human, material, and financial. While the school has a fully-functional woodwork room, a qualified woodwork teacher is required. A small school budget does not allow for a full-time teacher and volunteers are few and far-between. A shortage of classrooms also presents a problem of over-crowding. While the school has tried to solve this problem by installing two prefab classrooms, these are not enough and the extreme heat in these rooms do not lend themselves to ideal teaching and learning conditions. A complete block of classrooms needs to be built to alleviate these problems.

The school also offers sewing, beadwork and hairdressing classes. With more resources, these vocational skills could prove successful avenues of job creation for our special learners.

Anyone with skills that they would like to share with our learners can contact Mr. K Maharaj through:

Ms. Natasha Phillips
DSHI Senior Administrator
Telephone: (031)903 7253
Fax: (031) 903 7535
Email: dshi@telkomsa.net

SOUTHERN AFRICAN SHIPYARDS TACKLING THE SKILLS CHALLENGE



Vuyiswa Nene for Most Improved Apprentice of the Year, Xolani Xolo Apprentice of the Year Award and Justice Mgxobane for Apprentice Choice Award

Southern African Shipyards, established in 1960, has the largest shipyard in Southern Africa, consisting of 11 hectares, with a useable water front of 300 metres. It has a privately-owned floating dock, which can accommodate vessels, which are up to 75 metres in length. The firm has the record for building the largest ship ever built on the Africa continent. The firm has an ISO 19001:2008 certification; is 60% black-owned; and its employees own 12% of shares.

As a consequence of the dire shortage of skilled workers in South Africa, especially in the metal and engineering industries, Southern African Shipyards has identified a need to develop the skills of young people, so that they may gain industry-specific knowledge and experience, particularly in the category of artisan development.

The firm embarked on an apprenticeship programme in 2008, with 37 apprentices, of which six were females. The programme was a joint project of Southern Africa Shipyards, the eThekweni Municipality; and the Office of the KwaZulu-Natal Premier. The purpose of the programme is to develop youth artisan skills. The programme allows apprentices to choose their specialisation, such as boiler-making, fitting, rigging, electrical and welding. The empowerment of women is a core tenant of the programme, with eight female artisans having qualified as artisans, since the inception of the programme.

Andre Boshoff, the Training Facilitator, explained that he is (at the time) training 27 apprentices, 17 of which are from the eThekweni Municipality, and 10 are from the Office of the KwaZulu-Natal Premier. He said that “(w) e will be taking a further

four who will start in June (2016). The training lasts for four years. 90% of the apprentices qualify in three and half years. To date we have had 52 apprentices pass their trade test.”

According to Boshoff a ton of CVs and telephonic enquiries are received every year. “The program is doing very well. We achieved our goal of Southern African Shipyards being recognised as a leading apprenticeship centre.”

In December 2015, Southern African Shipyards held their Annual Apprentice Awards, which celebrate the outstanding achievements of apprentices, which have worked hard throughout the year. The awards are issued in three categories: Apprentice of the Year; the Most Improved Apprentice; and the Apprentice’s Choice. The recipient of the Apprentice’s Choice is selected by fellow apprentices. The nominees for the Awards were drawn from the apprentice pool, irrespective of their level of work experience. Criteria for the Awards include: the apprentice’s job knowledge; their working relationships with the peers’ their work ethic; and timekeeping. Boshoff explained that the Awards are a good incentive for apprentices, and (2015)’s winners were lucky enough to have their prizes sponsored by Brian Merryweather of Lloyd Register. This was facilitated by Southern African Shipyards’ General Manager of Human resources, Beverly Vezi.

“It was a team effort. I am very proud of them, especially when I give them a trade certificate. The look on their face is a big reward for me. It means I have achieved my goal and they have achieved theirs. I always tell them when you start here, you are a ‘nobody’ but when you leave, you are an artisan,” he said.

DEEPENING THE LOCAL SKILLS BASE THROUGH WORKPLACE SKILLS PROGRAMMES AND PARTNERSHIPS

“...if we don’t have a good skills base of technical and creative resources, it simply means production companies will be more attracted to other places where they won’t have to spend precious budget on accommodation or bringing in people with the skills from out of town ...”



Mbusi Harrison Msane gets to grips with technical tasks of the Art Department, on the set of Uzalo.



DFO Uzalo Trainees



Ntombifuthi G-2 Zakwe training in the wardrobe department on set of Uzalo



For more information on this topic, contact:

Durban Film Office on

T 0313114243

E filmdurban@durban.gov.za

T @filmdurban

W www.durbanfilmoffice.com

The film industry is generally characterised by a degree of exclusivity and fairly tough entry barriers for new players – in particular historically disadvantaged individuals. To redress the historic inequalities, the eThekweni Municipality’s film industry development unit, the Durban Film Office, a department of the Economic Development and Investment Promotions, launched a set of programmes in 2009 as part of its development strategy to develop core skills required for industry development and transformation.

Workplace experience is a critical part of this strategy, and through various partnerships with industry, the Durban Film Office has set a solid precedent as to how government can work together with the private sector on a small scale to help unlock potential in the film industry - ultimately leading to removing barriers in an economic sector that holds key opportunities for the future of the City in terms of film, electronic and digital media content generation.

Most recently, the Durban Film Office has partnered with producers of the top South Africa soapie, Uzalo in providing trainee opportunities for young film-makers. Uzalo, which is filmed on location in Newlands East in Durban, is undoubtedly considered the hottest property on local TV at present with close to 3 million viewers tuning in nationwide on SABC 1 every week day.

The DFO and producers, Stained Glass Productions, have created a trainee programme which covers a number of areas of film-making including sound, camera, make-up and hair, art, continuity and wardrobe, with an express view to develop vital technical and artistic film skills needed as a resource for the city’s industry.

“The film industry requires some rather specific skill-sets, which, while you can learn about at college, tech or varsity, provide its own challenges when faced with in real life.” says Toni Monty, Head of the DFO. “Graduates are coming out of tertiary institutions, qualified in film, but they have limited opportunities to gain employment as most film producers choose to have experienced staff on their productions, for obvious reasons – it is expensive to make a

film, and there is little room for error.”

Durban has so much potential to become a leading film and media content production hub. Film-making provides great economic stimulation and films go a long way to provide regular income for many SMME’s such as catering companies, equipment hire, security, logistics and transport, accommodation, vehicle hire amongst many things including providing work for local talent and creative.

“It’s one thing promoting the City as a film venue with its myriad awesome locations and great weather,” says Monty, “but if we don’t have a good skills base of technical and creative resources, it simply means production companies will be more attracted to other places where they won’t have to spend precious budget on accommodation or bringing in people with the skills from out of town, which has obvious budget implications. So it is vital that we have a focus on growing the experience and skills of the local film-makers.

“But we cannot take all the credit,” says Monty. “Stained Glass Productions are really doing a great job of training these young people. Six young Durban filmmakers were selected from 72 applications last year to begin their training on the set of Uzalo, and judging from a visit in February they are getting a good handle of how things really work in a professional film environment.”

The latest intake of trainees includes Pinky Sozombile (make-up and hair), Slindokuhle Msomi (continuity), Thokozani Mahaye (sound), Mbusi Harrison Msane (art department), Philile Masondo (camera) and Ntombifuthi G-2 Zakwe (wardrobe).

Chatting to the trainees on set, the feedback from their first month on set, is one of delight, enthusiasm and sheer hard work. They agreed that they were having to learn fast on the job and appreciated getting the experience on Uzalo.

Programmes like this play an instrumental role in enabling Durban to grow its share in the market. Thus far, the programme has supported 11 trainees over the past 18 months, many of whom continue to work for Uzalo. Going forward the Durban Film

Deepening the Local Skills Base through Workplace Skills Programmes and Partnerships cont... Office is looking at similar opportunities to work together with the private sector in training young film-makers and deepening the local skills set.

“This training is completely on point with our vision to stimulate and develop the Durban film industry,” says Her Worship the Mayor, Cllr Zandile Gumede. “We need to grow a base of technically skilled people that can support the production companies that look to filming here or basing themselves in our City. It is fantastic that Stained Glass Productions is working closely with our film office, as it demonstrates a positive example of what can be done when the private sector and government collaborate with common aims.”

THE FOURTH INDUSTRIAL REVOLUTION AND ITS IMPACT ON ARTISANS

“Are we churning out artisans for the future or are we still stuck in the past?”



The Fourth Industrial Revolution is building further on the digital revolution. It is characterised by a fusion of technologies that is blurring the lines between the physical, digital, and biological spheres. In every country, the Fourth Industrial Revolution (4IR) is disrupting many industries. The impact of these changes herald the transformation of entire systems of production, education, governance and management. So it does for artisans – and it might not be as bad as it sounds if they get trained well.

It is important that TVET Colleges focus on these emerging technologies and reshape their curricula. Overall, the inescapable shift from simple digitisation (3IR) to innovation based on combinations of technologies (4IR) is forcing schools, business, cities to re-examine the way they operate today. Talent will, more than capital, represent the critical factor of production. If artisans are trained for the emerging technologies, such as artificial intelligence, robotics, the Internet of Things, material science, biotechnology, 3D-printing, autonomous vehicles, energy storage and quantum computing, they can play an important role in the development of their country.

This highlights an important side effect, inequality, which represents the greatest societal concern associated with the 4IR. An increasingly segregated job market arises, in “low-skill/low-pay” and “high-

skill/high-pay” segments, which in turn will lead to an increase in social tensions.

At a local level, the labour market is riddled with high unemployment, primarily driven by a lack of suitable education and a low level, or mismatch of skills. New technology and innovation being introduced to the City’s manufacturing industry will lead to further growth, however, the perceived impact on low skilled jobs may be negative. The onus falls not only on government but on the private sector to assess the needs, react quickly and take full advantage of the opportunities that present themselves with this type of disruptive change. Up skilling current employees to tackle these new technologies is one way of not only surviving through the 4IR, but rather competing more aggressively.

TVET and other tertiary education institutions have a great opportunity to learn more from business, regarding the education and skills needs of firms. This will allow them to adequately prepare themselves to provide education that is relevant to meet the needs of firms in the future.

So, what does this mean for artisans? Are we churning out artisans for the future or are we still stuck in the past? Presently, colleges are pushing out technicians and there is a fundamental difference between technicians and artisans. Artisans are creators, they are able to

take an idea and build on it. E.g. an automated machine. Artisans learn on the job. Technicians, on the other hand, are there to maintain and run the automated machine. The questions arises, does South Africa differentiate between the two? This could be a possible reason for us failing to react quickly enough to the change that the Fourth Industrial Revolution brings.

Another argument to bring into the fold would be – is our education system to be blamed entirely? It may be easy to place the blame on the system, and maybe partly right to do so, however, even if our education system is corrected in time, we would still be remain with a large number of highly skilled people that are unemployed.

There is no clear way forward that would ease the transition into the Fourth Industrial Revolution, especially for artisans. However, one can recommend that our education system should be adapted to address skills and education for the future and also to ensure that people are multi-skilled. The fundamentals will always be relevant regardless of automation and all the other wonderful things that come with the Fourth Industrial Revolution.

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LOOKING AHEAD TO THE NEXT EDITION

The EDGE looks at topical and current issues that affect decision-makers in eThekweni. The next edition will be themed “Radical Economic Development”, and will be a special feature edition.

The EDGE is produced by the eThekweni Economic Development and Investment Promotion Unit’s Policy, Strategy, Information and Research (PSIR) Department. For feedback or queries, email Tshegang Chipeya on tshegang.chipeya@durban.gov.za or phone 031 311 4247



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