



**Western Cape
Government**
Economic Development
and Tourism

Sub-programme 7.1

Provincial Skills and Partnership

Skills Intelligence Report

2020/2021 Performance Reporting Period

Quarter 1

OFFICIAL SIGN-OFF

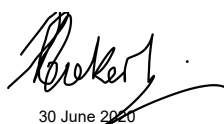
It is hereby certified that this Skills Engagement Framework:

- ❖ Was developed by the Provincial Skills and Partnership Team, under the guidance of the Director: Ms M Parker and is aligned to the Skills Framework.
- ❖ Was developed to align to the Output Indicator: Number of Skills Intelligence Reports produced and linked to Strategies VIP#2: Growth and Jobs and VIP#3: Empowering People.
- ❖ Was developed based on extensive Stakeholder engagements and data sourced, across the Skills pipeline within the Western Cape.
- ❖ Is grounded both in a practical understanding of the Western Cape's skills; needs; priorities; the production; and use of market intelligence for Skills planning.

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Table of Contents

1	List of Acronyms.....	5
2	Introduction.....	8
3	International Skills Trend Analysis.....	9
3.1	International context for Skills	9
3.2	COVID-19 Pandemic impact on Global scale	12
3.3	COVID-19 Pandemic and its impact on Skills	14
4	South African Skills Trend Analysis	16
4.1	South African economy and COVID-19	16
4.2	Unemployment and Skills Development in South Africa	19
4.3	Skills focus with Municipal, Provincial and National Development Strategies	27
4.4	Manufacturing and COVID-19 implications	27
4.5	Wholesale and Retail Sector and COVID-19 implications	28
4.6	Business and Financial Services Sector	29
4.7	Tourism Sector	30
4.8	ICT in the Western Cape.....	32
5	Practical engagements with Key Stakeholders	38
5.1	Response of the Post-School Education and Training (PSET) Sector to COVID-19.....	39
5.1.1	DHET's response to COVID-19 challenges	39
5.1.2	SETAs response to COVID-19 challenges	45
5.2	Response to Sectors	47
5.2.1	Catalytic Infrastructure as a response to economic growth and employment	49
5.2.1.1	Saldanha Bay Industrial Development Zone (SBIDZ)	49
5.2.1.2	Cape Catalyst (formerly named Strategic Economic Development Infrastructure Company (SEDIC))	50
5.2.1.3	Atlantis Special Economic Zone (ASEZ)	50
5.3	Adopting a Regional focus.....	52
6	Conclusion and Recommendations	55

Figure 1: Source: World Economic Forum, 2020	10
Figure 2: The Key Cluster for Skills Demand	10
Figure 3: Professions of the Future	12
Figure 4: South African Industries 3 rd and 4 th quarter performance	17
Figure 5: Key COVID-19 Business impact findings from StatsSA survey	17
Figure 6: Levels of Education for South Africans older than 20yrs old	20
Figure 7: Level of Education for individuals employed in 2010 and 2017	21
Figure 8: Mismatch of Skills in South Africa, according to OECD Report	23
Figure 9: Five (5) fundamental forces affecting Professional Landscape of the Future	25
Figure 10: GVA and Employment losses per sub-sector	49
Figure 11: Overview of West Coast District	53

1 List of Acronyms

4IR	Fourth Industrial Revolution
ADP	Artisanal Development Programme
AGC	Apprenticeship Game Changer
AI	Artificial Intelligence
ASEZ	Atlantis Special Economic Zone
CATHSSETA	Culture, Art, Tourism, Hospitality and Sport SETA
CCMA	Commission for Conciliation, Mediation and Arbitration
CET	Community Education and Training
CHEC	Cape Higher Education Consortium
CITI	Cape Innovation and Technology Initiative
CoCT	City of Cape Town
CCT	College of Cape Town
DBE	Department of Basic Education
DEDAT	Department of Economic Development and Tourism
DHET	Department of Higher Education and Training
DOEL	Department of Employment and Labour
DTI	Department of Trade and Industry
DUT	Durban University of Technology
ECD	Early Childhood Development
ECF	Employment Creation Fund
ESS	Economic Sector Support
FET	Further Education and Training
GDP	Gross Domestic Product
GET	General Education and Training
GVA	Gross Value Add
HEI	Higher Education Institution
HRDC	Human Resource Development Council
HSRC	Human Sciences Research Council
ICT	Information Communication Technology
ILO	International Labour Organization

IMF	International Monetary Fund
IITPSA	Institute of Information Technology Professionals South Africa
JF	Jobs Fund
LED	Local Economic Development
LGSETA	Local Government SETA
M&E	Monitoring and Evaluation
MID	Ministry of Economic Development
MoU	Memorandum of Understanding
NDP	National Development Plan
NDT	National Department of Tourism
NEET	Not in Employment, Education or Training
NSA	National Skills Authority
NSDS	National Skills Development Strategy
NSF	National Skills Fund
NSFAS	National Student Financial Aid Scheme
NT	National Treasury
NTSS	National Tourism Sector Strategy
OECD	Organization for Economic Co-operation and Development
ORP	Occupation Readiness Programme
PCS	Premiers Council on Skills
PSET	Post School and Education System
PSF	Provincial Skills Framework
PSP	Provincial Skills and Partnerships
PTMS	Provincial Transversal Management System
QCTO	Quality Council on Trades and Occupations
RPL	Recognition of Prior Learning
SANBP	South African National Broadband Policy
SARB	South African Reserve Bank
SARETEC	South African Renewable Energy Technology Centre
SBIDZ	Saldanha Bay Industrial Development Zone
SDP	Skills Development Programme
SDS	Sector Development Strategy

SEDIC	Strategic Economic Development Infrastructure Company
SETA	Sectoral Education and Training Authority
SMME	Small, Medium and Micro Enterprises
SSP	Sector Skills Plans
StatsSA	Statistics South Africa
TAF	Technical Advisory Forum
THRD	Tourism Human Resource Development Strategy Development
TIPS	Trade and Industrial Policy Strategies
TVET	Technical and Vocational Education Training
UIF	Unemployment Insurance Fund
UNESCO	United Nations Educational Scientific and Cultural Organizations
VIP	Vision Inspired Priority
WCDM	West Coast District Municipality
WCED	Western Cape Education Department
WCC	West Coast College
WEF	World Economic Forum
WCG	Western Cape Government
WCP	Western Cape Province
WSP	Workplace Skills Plans

2 Introduction

Two (2) of the five (5) priorities for the Western Cape Government (WCG), relates to Very Important Priority (VIP2) – Growth and Jobs; and (VIP3) - Empowering People. The priority of empowering people aims to provide all citizens of the Western Cape, with an opportunity to reach their full life potential and live lives they value. This priority takes a holistic human development approach from conception, through the education phases, adulthood and concludes in retirement.

The White Paper for Post-School Education and Training¹ observes that *“although South Africa has put in place a range of ambitious measures to improve skills planning, the system has neither produced good information about skills needs, nor increased the quality of provision in areas needed by the economy”*. In addition, The National Skills Development Strategy (NSDS III) indicates that there is currently no institutional mechanism that provides credible information and analysis, with regards to the supply and demand of skills. It states that *“while there are a number of disparate information databases and research initiatives, there is no standardised framework for determining skills supply, shortages and vacancies, and there is no integrated information system for skills supply and demand across government”*.²

The Skills Intelligence Report produced by the Sub-Programme: Provincial Skills and Partnership will be both a practical and strategic demonstration of facilitative engagements across the skills pipeline within the Western Cape, to drive the provision of credible information, analysis and signals on the demand and supply of skills as an important contribution to the establishment of the institutional mechanism, for skills planning in the Western Cape.

The Skills Intelligence Report will encompass a high-level overview of the Education and Training landscape to understand the role of the various stakeholders, which includes the three (3) Government spheres and Industry supporting the skills ecosystem.

¹ Department of Higher Education and Training (2013): White Paper on Post School Education and Training

² Department of Higher Education and Training (2011): National Skills Development Strategy III

Market intelligence will be outlined to indicate the supply of skills in the Province, in alignment to the jobs and skills demands required by priority sectors that drive the Economy.

3 International Skills Trend Analysis

The first section of the environmental analysis will look at the international trends, in respect of the skills needed in the world. The next section of the environmental analysis will focus on the impact of the COVID-19 pandemic worldwide, and lastly analysing the impact of COVID-19 on the world of work and skills.

3.1 International context for Skills

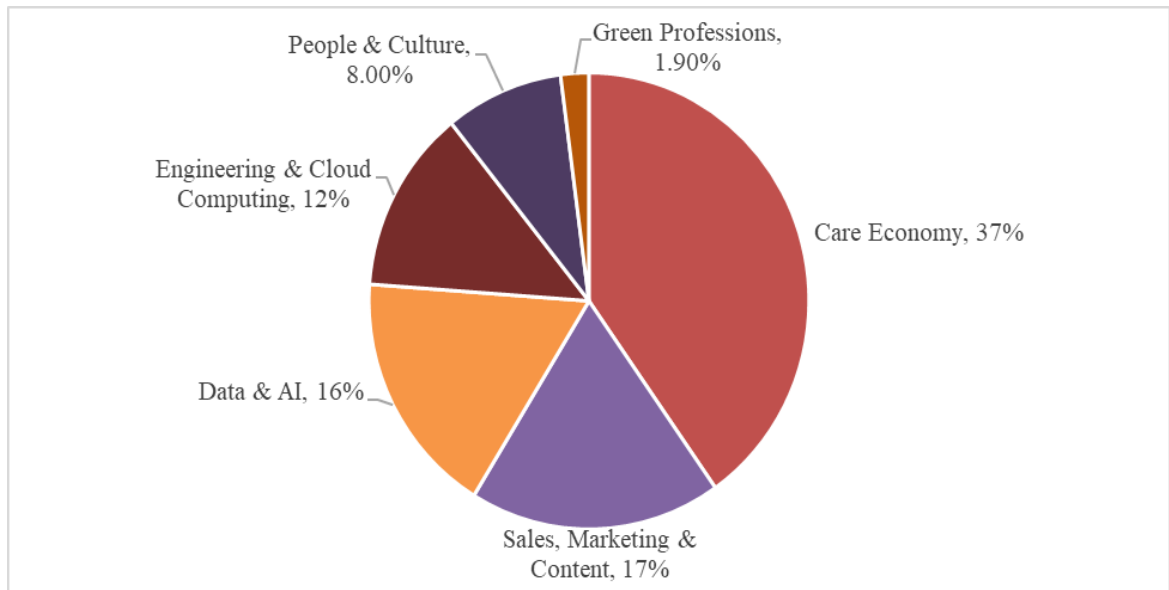
According to research done by the World Economic Forum (WEF), Globally, digital and human factors are key elements in the professions of the future.³ Adoption of new technologies have created a demand for Green Economy jobs, roles within data and the Artificial Intelligence (AI) economy, as well as new roles within Engineering; Cloud Computing; and Product Development.

However, human interaction remains as important, giving rise to demand for care economy jobs; marketing; sales; and content production, as well as roles within people and culture. Future work requires a broad range of skills, including disruptive technical skills; specialized industry skills; and the core business skills COVID-19 pandemic has further emphasised the need for.

A separate section will address COVID-19 needs and the chart below illustrates the predicted job opportunities

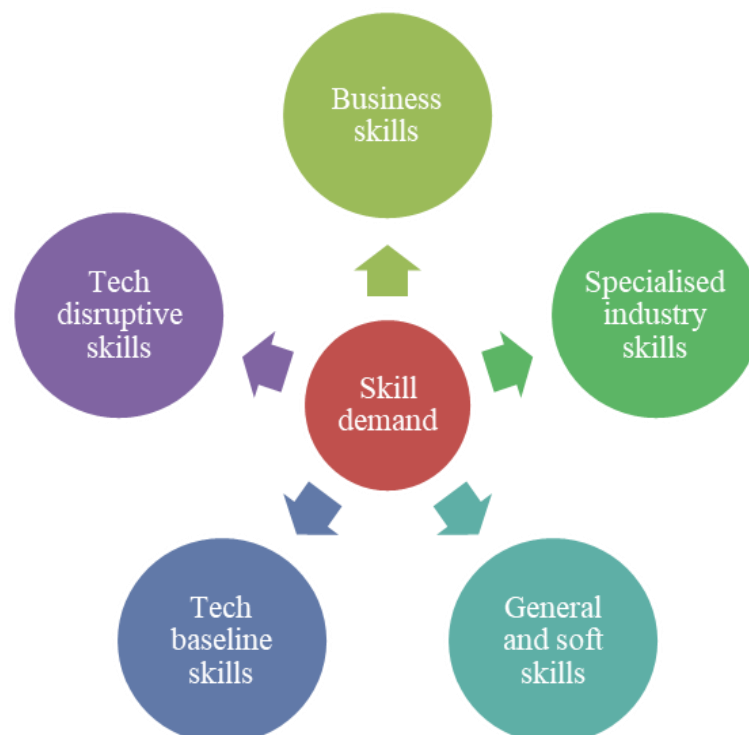
³ World Economic Forum (2020): Jobs of Tomorrow: Mapping Opportunity in the New Economy

Figure 1: Source: World Economic Forum, 2020



The WEF Research further state that globally, the highest demand skills required to meet emerging professional clusters, are both technical and cross-functional skills. These skills can be divided into five (5) clusters, illustrated below.

Figure 2: The Key Cluster for Skills Demand



Business skills point toward the skills required to operate or start an enterprise, and include skills such as Marketing; Project Management; Budgeting; and Business Development.⁴

Specialised Industry skills allude to skills that are specific to each field of profession, such as Video and Editing in Marketing. This skill set excludes the operation and design of digital technologies.

General skills, otherwise known as cross-functional skills, refer to non-cognitive capabilities needed across all professions. These include skills such as Leadership; Communication; Negotiation; Creativity; and Problem-solving.

Tech baseline skills allude to basic computer literacy, such as Microsoft suites and applications that are Industry specific, e.g. Web design; Online marketing; Social media; Medical and Clinical software, etc.

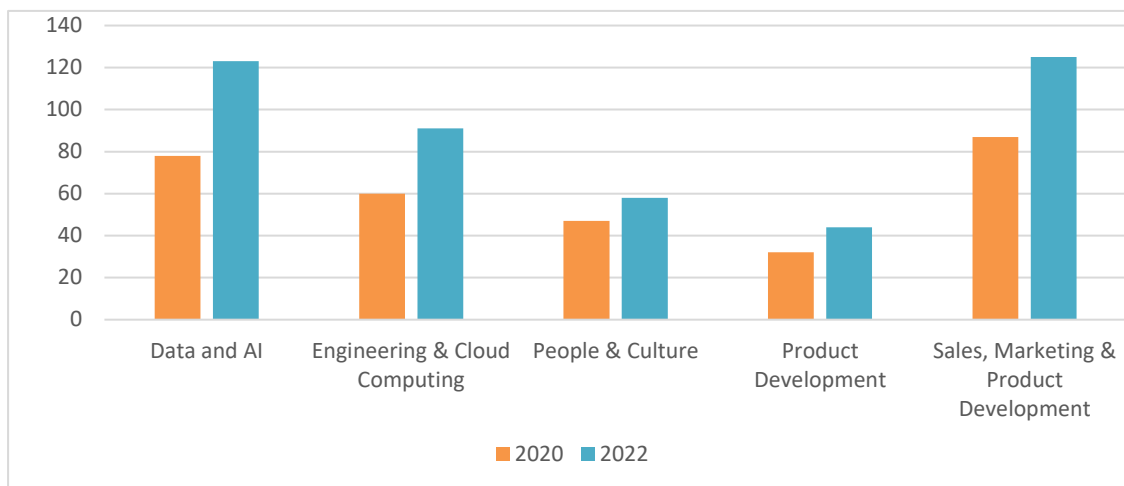
Tech disruptive skills, which relates to the design and use of technologies significantly impacting business models and the labour market. These skills include Data science; Automation; Robotics; Cloud Computing; and Cyber Security.

While some professional clusters such as Data and AI; and Engineering and Cloud Computing require expertise in Digital Technologies, other high growth professions emphasise business skills or specialised industry skills.

The chart below, illustrates opportunities, per 10 000, for clusters of professions for the future.

⁴ World Economic Forum (2020): Jobs of Tomorrow: Mapping Opportunity in the New Economy

Figure 3: Professions of the Future



Source: World Economic Forum, 2020

Future work will certainly make disruptive technology skills such as Data Science and AI critical, but other skills like caregiving, leadership and the ability to provide learning and development will also be so.⁵

The new world of work will therefore be both human and tech-centric. This prediction remains true in the face of COVID-19, as the skills sets required in an increasingly digitalised working environment, will still need the combination of tech and human focus.

3.2 COVID-19 Pandemic impact on Global scale

The COVID-19 pandemic has already affected nearly 10 million people (as on 27 June 2020), resulting in around 500 000 deaths Internationally. A total of 120 countries enforced lockdowns to control the virus spread and to prevent health systems from being overwhelmed⁶.

This pandemic has illustrated limitations in social and economic safety nets and global cooperation, whereby Governments and Businesses have battled to cope with “compounding repercussions in the form of workforce challenges and disruptions in essential supplies and social instability”.

⁵ World Economic Forum (2020): Jobs of Tomorrow: Mapping Opportunity in the New Economy

⁶ World Economic Forum (2020): Jobs of Tomorrow: Mapping Opportunity in the New Economy

The world is currently facing a dual crisis due to the pandemic. The Health sector has been affected, as the pandemic is spreading rapidly and influencing people's daily lives. Adjustments such as social distancing, lockdown periods and other preventative measures was made, as the impacts on the health facilities are severe, and a lot of funding has been channeled into responding on the health front. According to the WEF, COVID-19 has led to the need to balance *“health security imperatives against the economic fallout and rising societal anxieties, while relying on digital infrastructure in unprecedented ways”*.

COVID-19 has resulted in an economic crisis with serious social consequences, deeply affecting the lives of people, including the fact that 500 million people are at risk of falling into poverty. In a study conducted by the WEF, 25% of respondents believed that rapid automation would occur because of COVID-19.⁷ From the perspective of social disruptions, one-third of respondents believed there'd be a collapse in developing economies in the medium term, which would have very serious humanitarian consequences. The study also found that there was increased risk to personal freedom, well-being and the educational and wealth prospects of young people.

In the face of the COVID-19 global pandemic, drastic containment measures have been implemented, economic activity has radically diminished and fiscal and monetary actions worth trillions of dollars have been rolled out to protect jobs and the market.⁸ Prolonged recession of the Global Economy has become a top risk concern, according to a WEF study, which is linked to concern for bankruptcies and failure to recover certain businesses and sectors.

The International Monetary Fund (IMF) has predicted that global trade will collapse between 13% to 32% and foreign direct investment inflows are estimated to fall between 30% to 40%.⁹

The virus may also trigger permanent behavior changes in consumers, which may challenge current businesses according to the WEF's research. There is a

⁷ World Economic Forum (2020): Jobs of Tomorrow: Mapping Opportunity in the New Economy

⁸ World Economic Forum, (2020): Jobs of Tomorrow: Mapping Opportunities in the New Economy

⁹ World Economic Forum (2020): Jobs of Tomorrow: Mapping Opportunity in the New Economy

possibility that overriding concern about the economic crisis and resultant need for serious economic reconstruction may side-line Environmental and Green Economy momentum from pre-COVID-19.¹⁰

The economic crisis that is unfolding, is impacting not only demand (consumption) for services and goods, but also the supply (production) of services and goods. The International Labour Organization (ILO) states¹¹ that the prospects for the economy and the quantity and quality of employment are deteriorating rapidly. ILO further predicts a significant rise in unemployment and underemployment in the wake of the virus, which can already be seen in the Global Economy. Working poverty is also likely to increase significantly. The strain on incomes resulting from the decline in economic activity (due to the economic lockdown), will devastate workers close to or below the poverty line.

Technology has been pivotal in how Governments; Businesses and people have been managing the crisis, which may lead to new job opportunities.¹² However, from the perspective of technological disruptions, an increased dependence on technology means an increased risk to cyber security; deepened digital inequality; and possible privacy violations states the WEF research.

Despite the risks, the World Economic research indicate that there is potential for increased Innovation and enhanced Technology governance, which can be used in service of people and the environment.

3.3 COVID-19 Pandemic and its impact on Skills

Many economies have shifted to remote working, but this has mainly been effective in white collar work, as economies that require physical presence are less able to adapt. Pressure for automation and digitalisation is likely to increase, even for sectors that recover, which may result in technology-based disruptions, for which not all employees are prepared for.¹³ According to the WEF research

¹⁰ World Economic Forum (2020): Jobs of Tomorrow: Mapping Opportunity in the New Economy

¹¹ International Labour Organisation (2020): COVID-19 and the world of work: Impact and policy responses

¹² World Economic Forum (2020): Jobs of Tomorrow: Mapping Opportunity in the New Economy

¹³ World Economic Forum (2020): Jobs of Tomorrow: Mapping Opportunity in the New Economy

workers without access to re-skilling; up-skilling; and re-deployment support are most at risk and will likely experience a growing digital divide.

The United Nations Educational Scientific and Cultural Organization (UNESCO)¹⁴ states that school closures are generating an unprecedented disruption of Education systems worldwide. Formal and non-formal Education providers have had to close their premises and to shift to distance learning – not all of them were ready for this. Within education, there are severe online access gaps; lack of necessary tools to follow online courses; or inability to convert home spaces into schooling environments, which may result in huge portions of populations, especially in developing countries, to fall behind in their academic studies, or even fail entirely.¹⁵

While general Education subjects and theoretical learning, as well as practical training in specific fields can be delivered remotely, practical training that depends on equipment present only in training centers, has been interrupted. Workplace closures have also interrupted all types of formal, non-formal and informal training that take place in affected firms. Training might not receive priority, as other firms strive to ensure the continuity of their operations through other means of survival.

The WEF research also states that technology has been a pivotal means to manage workplace disruptions since COVID-19 and has encouraged a “tech-enabled contact-free economy”, including online retail; telemedicine; and social distancing delivery and logistics. This will boost employment in certain areas and sectors.

Technology had already been used to increase business efficiency in supply chain and inventory management but is now also used to increase resilience.¹⁶ Conversely, this caused one quarter of the COVID-19 Risks Perception Survey to highlight as one of the more likely world fallouts, the ‘additional unemployment from accelerated workforce automation’ as stated in the research report. The

¹⁴ UNESCO (2020): COVID-19 Education Response- Education Sector Issue Notes

¹⁵ World Economic Forum (2020): Jobs of Tomorrow: Mapping Opportunity in the New Economy

¹⁶ World Economic Forum (2020): Jobs of Tomorrow: Mapping Opportunity in the New Economy

potential rapid automation may also widen the digital divide in the workforce, due to the increasing digital skills gap.

While technological shifts and advances are arriving in waves, especially since the pandemic of COVID-19, the current socio-economic order remains in place, which requires Governments to draft pro-poor policy responses that prioritise digital inclusion, rather than chasing new technologies like robotics and blockchains.¹⁷

Teagle continues to state that digital inclusion policies should look at things like “access to data, the prohibitive price of smaller data bundles – that effectively penalises the poor – digital skills, and participatory innovation that seeks to solve local problems from the bottom up”. Even governance itself may become increasingly digital, which makes equal technological access and digital upskilling even more important.

4 South African Skills Trend Analysis

The next section of the report will focus on the South African economic environment; unemployment; and the impact of COVID-19 on the skills needs for the Country.

4.1 South African economy and COVID-19

At the end of 2019, South Africa was in a technical recession, and “*in the longest business cycle downturn on record*”, which means COVID-19 struck during a time of substantial macro-level economic vulnerability.¹⁸

The South African Reserve Bank (SARB) expects the Gross Domestic Product (GDP) to contract by 7% in 2020. Domestic growth decline can be attributed to structural factors such as skills shortages, infrastructure constraints (especially in the energy sector) and policy uncertainty.¹⁹

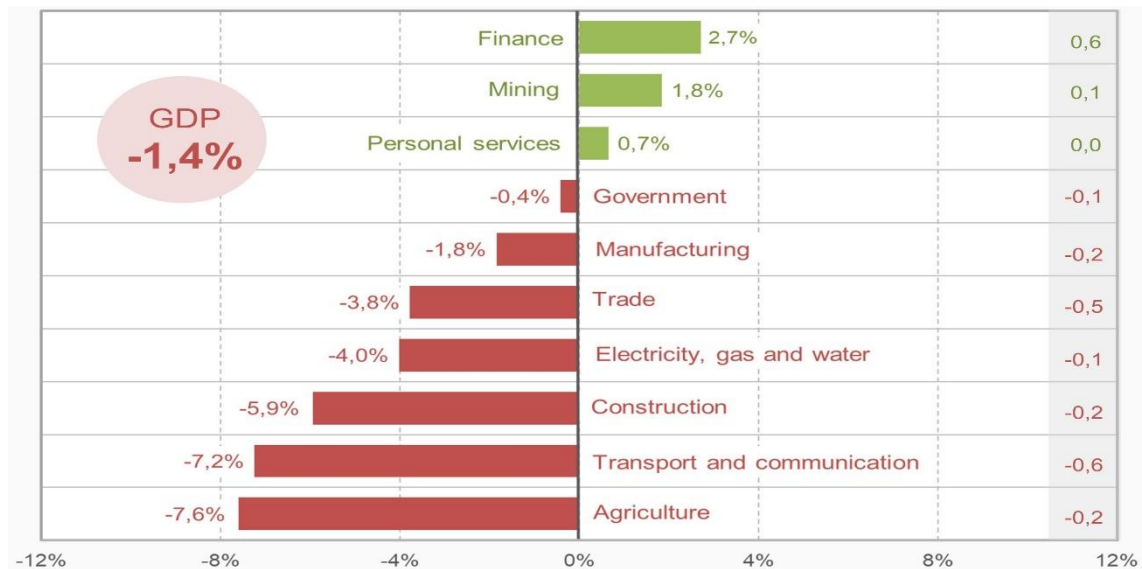
¹⁷ Teagle, A (2019): The Fourth Industrial Revolution: revolution, evolution, or heuristic?

¹⁸ South African Market Insights (2020): South African Reserve Banks annual GDP growth forecast evolution

¹⁹ South African Market Insight (2020): South African Reserve Banks annual GDP growth forecast evolution

While SARB believes the economy will recover once COVID-19 is contained, the recovery will be muted, as structural factors affecting growth remain.

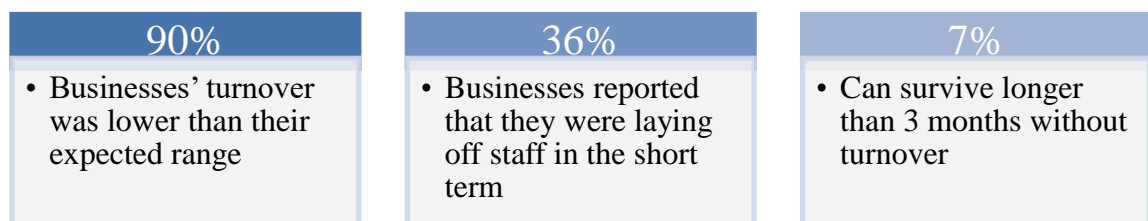
Figure 4: South African Industries 3rd and 4th quarter performance



Source: StatsSA, 2020

The graph above clearly illustrates a declining growth in sectors such as Manufacturing; Trade; Electricity, Gas and Water; Construction; Transport and Communication; and Agriculture.²⁰

Figure 5: Key COVID-19 Business impact findings from StatsSA survey



Source: StatsSA, 2020

According to a Statistics South Africa (StatsSA) COVID-19 business impact survey, as of 30 April 2020, 90% businesses' turnover was lower than their expected range, especially in Electricity; Gas and water supply; Mining; Community, Social and

²⁰ StatsSA (2020): Business impact of the COVID-19 pandemic in South Africa, May 2020

Personal services; Trade; Transport, Storage and Communication; and Manufacturing. A total of 36% of businesses reported that they were laying off staff in the short term, as a sustainability measure, while 25% said they were decreasing working hours. From the respondents, 48% reported a pause in trading in April 2020, and 9% said they ceased operations permanently.

The industries with the highest percentage of firms closing permanently include Construction (14%); Community, Social and Personal services (12%); and Agriculture, Hunting, Forestry and Fishing (12%). Furthermore, 30% of businesses indicated they could survive less than a month without turnover, 55% indicated they could survive between 1 and 3 months, while only 7% indicated survival longer than 3 months.²¹

The Small, Medium and Micro Enterprises (SMMEs) in the country is taking a large knock during the COVID-19 period, and research conducted by the Department indicates that 51% of SMMEs (that participated in the research) has lost contracts due to COVID-19, while a staggering 65% of those businesses indicate that they will not be able to cover their most important expenses.²²

Although there has been a gradual opening of the economy over the past 2 months, there are Industries that are very hard hit, and remain closed until lower levels of lockdown are announced. According to modelling done by the Research component within DEDAT, the Tourism sector has little International prospects for the first 18 months after COVID-19, which will impact 174 000 employees in this sector.²³ Trade and Industrial Policy Strategies (TIPS) predict that both domestic and international demand will remain slow after the economy is opened. International Tourism seems unlikely to recover for at least 2 years since it's affected by both consumer concerns and travel bans.

²¹ StatsSA (2020): Business impact of the COVID-19 pandemic in South Africa, May 2020

²² Department of Economic Development and Tourism (2020): The Western Cape Business Survey Report - the impact of COVID-19 on businesses - 23 April 2020

²³ Department of Economic Development and Tourism (2020): COVID-19 Economic Impact Model

Generally, recreational activities of all sorts will be slowest to recover, because both Government and Households see them as less essential than other businesses²⁴.

4.2 Unemployment and Skills Development in South Africa

“South Africa has a high unemployment rate and the economy struggles to create sufficient jobs”²⁵. The country's unemployment rate is on the rise. According to StatsSA, South Africa's unemployment rate increased by 0,1 of a percentage point to 29,1% in Q3 of 2019. In comparison the Western Cape's unemployment rate for the same period was 21,5%.²⁶ Although it is lower than the National figure, the Province still has 1 out of every 5 citizens that are unemployed.

South Africa has a young population, with two-thirds of the population under the age of 35.²⁷ StatsSA indicate that the youth aged 15–24 years are the most vulnerable in the South African labour market, as the unemployment rate among this age group was 55,2% in the 1st quarter of 2019. Among graduates in this age group, the unemployment rate was 31,0% during this period compared to 19,5% in 2018 – an increase of 11,4 percentage points. The percentage of young persons aged 15–24 years who were not in Employment, Education or Training (NEET), increased from 31,1% in Q3: 2018 to 32,3% in Q3: 2019.

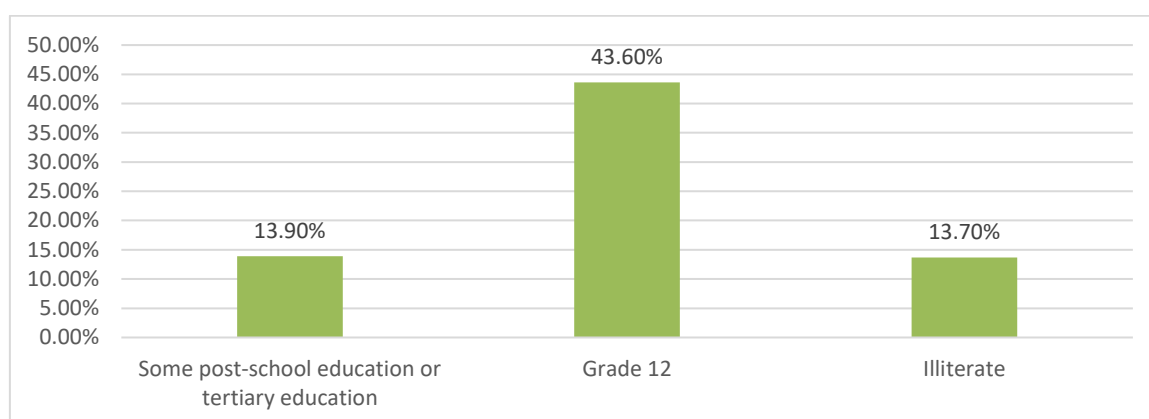
²⁴ Trade and Industrial Policy Strategy (2020): Re-opening the economy: Learning from success

²⁵ International Bank for Reconstruction and Development / The World Bank. (2018). Overcoming Poverty and Inequality in South Africa. An Assessment of Drivers, Constraints and Opportunities.

²⁶ StatsSA (2019): Quarterly labour force survey: Quarter 3: 2019

²⁷ Department of Higher Education and Training (2019): Skills Supply and Demand in South Africa

Figure 6: Levels of Education for South Africans older than 20yrs old



Source: DHET, 2019

Only 43% of South Africans older than 20 years have matric, and only 13,9% have some post-school or tertiary education. As the workplaces shifts, demanding more technical and higher-functional skills, so the lack of Matric and Tertiary training will increasingly hamper people entering the job market, and concurrently, it may hamper their efforts to climb job ladders.

The Department of Basic Education's (DBE) matric class of 2019, achieved a pass rate of 81.3%, up from 78.2% in 2018. However, this number should be seen in the context of the total number of learners from this cohort entering grade 10 and exiting in grade 12. In 2017, a total of 1 052 080 learners were enrolled in Grade 10, yet only 409 906 learners eventually passed Matric last year. In addition to this, only 44.55% of Matric learners that passed, passed with a grade high enough for admission to bachelor's degrees at a Higher Education Institution (HEI).²⁸

When analysing the school system in South Africa, it becomes clear that the education system is flawed with poorly performing teachers; poor work ethics; lack of community and parental support; poor control by education authorities; poor support for teachers and very low levels of accountability; poor school infrastructure; and lack of essential learner resources.

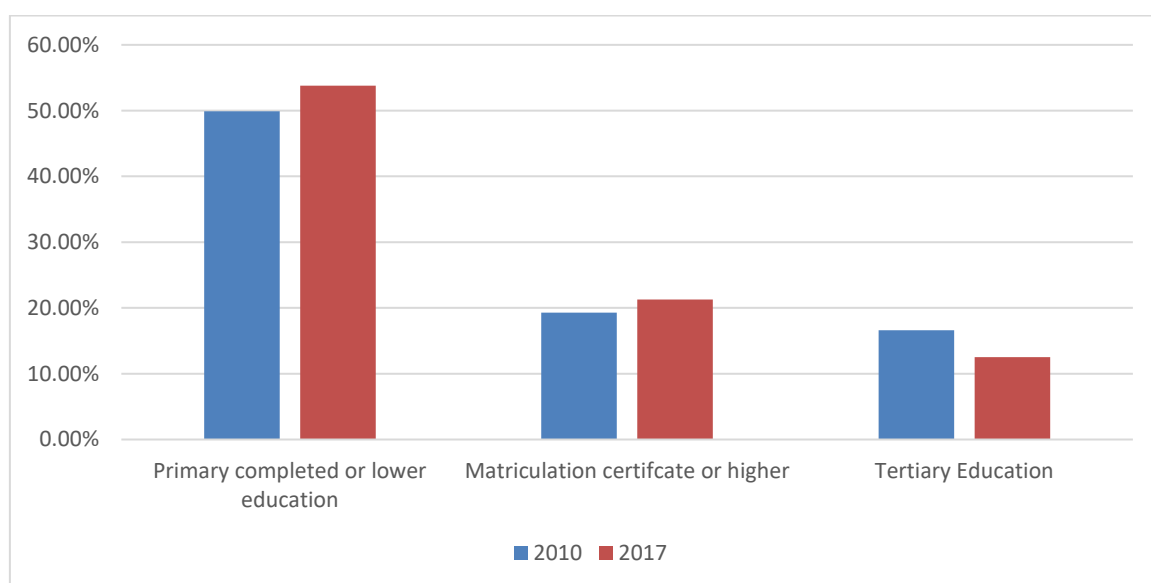
These factors further spilled over into the morale of learners and could be seen in the lack of discipline; brutal violence in schools; low moral values; truancy;

²⁸ Mouton, N. Gouw, GP. Strydom, G. (2013): Critical Challenges of the South African School System

absenteeism; late coming; and high dropout rates from Grade 1 to Grade 12, with very poor performance in essential areas such as Mathematics and Literacy.

Citizens in historically disadvantaged areas tend to become victims of poverty, gangs and drug abuse.

Figure 7: Level of Education for individuals employed in 2010 and 2017



Source: DHET, 2019

The share of individuals employed with a Matric certificate or higher increased by 3.9%, and those with Tertiary Education increased by 2%, from 2010 to 2017. The employment share of those with Primary completed or lower decreased by 4.1%. The largest portion of youth employed had at least a Matric certificate, and their share increased by 2.4% from 55.1% in 2010 to 57.5% in 2017.

There was a 2.3% decline in the share of employed youth with less than a Matric certificate from 44.8% in 2010 to 42.5% in 2017. This indicates a correlation between level of education and gaining employment.²⁹

²⁹ Department of Higher Education and Training (2019): Skills Supply and Demand in South Africa

According to research commissioned by the Human Sciences Research Council (HSRC)³⁰, the following occupations were identified in highest demand in South Africa:

- ❖ Agricultural & Forestry Production
- ❖ Broadcasting & Audio-visual Technicians
- ❖ Building & Related Electricians
- ❖ Business Services & Administration
- ❖ Chefs
- ❖ Childcare Workers
- ❖ Civil Engineering Technicians
- ❖ Civil Engineers
- ❖ Coding, Proofreading & Related Clerks
- ❖ Construction Managers
- ❖ Construction Supervisors
- ❖ Draughts persons
- ❖ Electrical Engineering Technicians
- ❖ Electrical Mechanics & Fitters
- ❖ Engineering Professionals
- ❖ Farming, Forestry & Fisheries Advisors
- ❖ Finance Managers
- ❖ Financial & Investment Advisors
- ❖ Geologists & Geophysicists
- ❖ ICT Service Managers
- ❖ Incinerator & Water Treatment Plant Operators
- ❖ Industrial & Production Engineers
- ❖ Information & Communications Technicians
- ❖ Lawyers
- ❖ Legal Professionals
- ❖ Manufacturing Managers
- ❖ Mechanical Engineering Technicians
- ❖ Medical & Pathology Laboratory Technicians

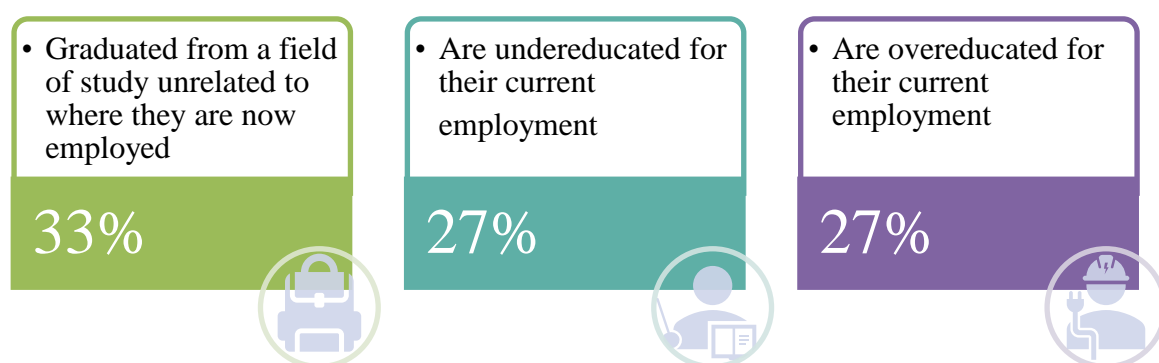
³⁰ Reddy, V. Rogan, M. Mncwango, B and Chabane S (2018): Occupations in high demand in South Africa: a technical report

- ❖ Mining Engineers, Metallurgists & Related Professionals
- ❖ Primary School or Foundational Phase Teachers
- ❖ Professional Services Managers
- ❖ Sales & Marketing Managers
- ❖ Secondary or Intermediate & Senior Education Teachers
- ❖ Senior Government Officials
- ❖ Software & Applications Developers
- ❖ Supply, Distribution & Related Managers
- ❖ Travel Consultants & Clerks

The Organisation for Economic Co-operation and Development (OECD) report in 2017 found that there was an imbalance in skills supply and demand in South Africa, whereby cognitive skills are in short supply, while manual and physical skills are in surplus. Cognitive skills include complex problem solving and higher skills such as education and health care.³¹ The report also found that under qualification for employment positions is more prevalent in South Africa than over qualification.

The HSRC report found that the biggest shortage in skills was Management; Healthcare; and Teaching.³²

Figure 8: Mismatch of Skills in South Africa, according to OECD Report



³¹ Reddy, V. Rogan, M. Mcnwang, B. Chabane, S. (2018): Occupations in high demand in South Africa: a technical report

³² Reddy, V. Rogan, M. Mcnwang, B. Chabane, S. (2018): Occupations in high demand in South Africa: a technical report

In a global talent shortage survey, conducted by ManpowerGroup (2017), 34% of employers in South Africa were experiencing challenges in filling positions, especially skilled-trade positions.³³The same survey revealed that the top 10 jobs which employers are battling to fill include:

- ❖ Accounting & Finance Staff (bookkeepers, certified accountants and financial analysts);
- ❖ Drivers (truck, lorry, heavy goods, delivery, heavy equipment, and construction);
- ❖ Engineers (managers, electrical and civil engineers);
- ❖ IT Staff (developers, programmers, database administrators, and IT leaders and managers);
- ❖ Management/Executive (senior- and board- level managers);
- ❖ Office Support Staff (secretaries, personal assistants, receptionists, and administrative assistants);
- ❖ Sales Representatives (sales executives, sales advisors and retail sales people);
- ❖ Skilled Trades (including electricians, carpenters, welders, bricklayers, plasterers, plumbers, masons, and more);
- ❖ Teachers; and
- ❖ Technicians (production, operations or maintenance technicians)

Reasons cited for the difficulty in filling these positions were:

- ❖ Lack of experience (27%);
- ❖ Lack of hard skills (26%);
- ❖ Job seekers looking for more pay (14%);
- ❖ Lack of available applicants (9%); and
- ❖ Specific issues related to the organisation (8%).

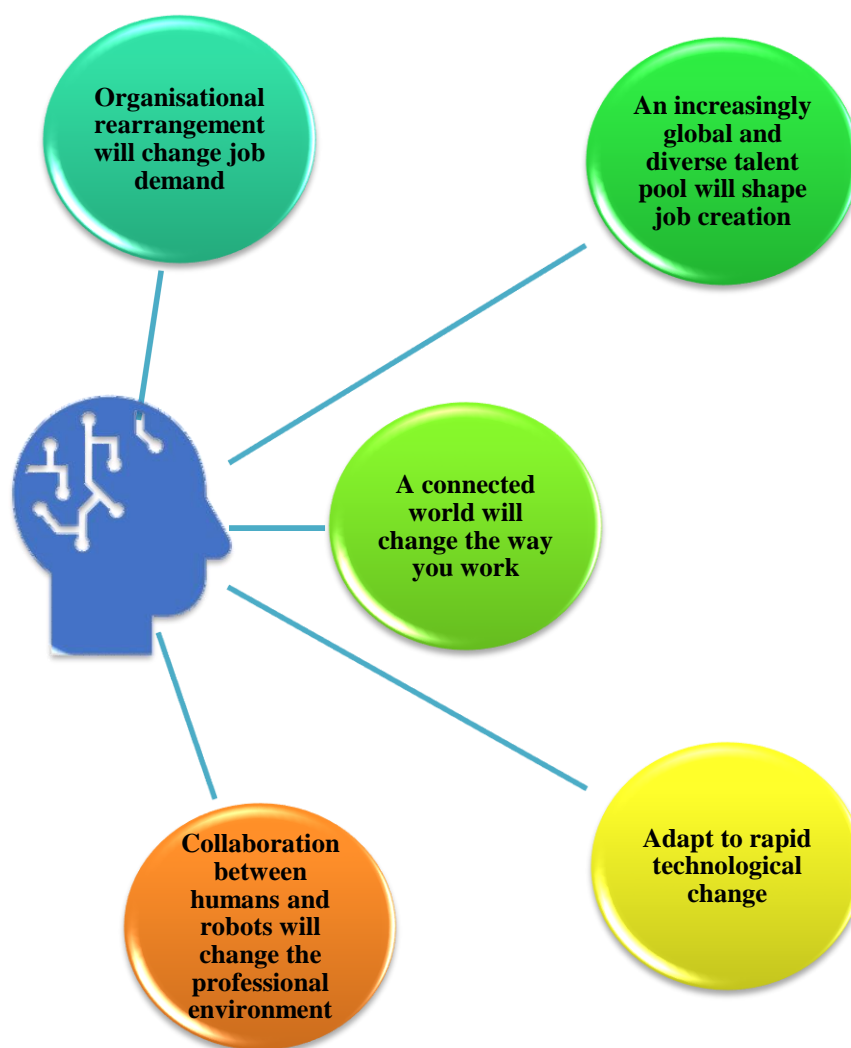
High-skilled workers in management positions increased 13% from 29.2% in 2010 to 42.2% in 2017, and for Professionals it increased by 26.3% from 61.2% in 2010 to 87.5% in 2017. Clerical support workers with high skills increased by 2.4% from 18.2% in 2010 to 20.6% in 2017. Occupational shortages in relation to skill levels occurs mostly at

³³ Reddy,V. Rogan, M. Mcnwang, B. Chabane, S. (2018): Occupations in high demand in South Africa: a technical report

low-skilled occupations, in comparison to medium-skilled and high-skilled occupations. There is therefore greater need for medium and high-skilled employees³⁴. But one cannot only look at the current skills needs, it's also important to look at the future skills needs of the world, including South Africa.

The Fourth Industrial Revolution(4IR) was already influencing changes in the labour market, and will do so even more, post COVID-19.³⁵

Figure 9: Five (5) fundamental forces affecting Professional Landscape of the Future



Data sourced from: GetSmarter, 2020

³⁴ Department of Higher Education and Training (2019): Skills Supply and Demand in South Africa

³⁵ Get Smarter (2020): Which Jobs Will Be In Demand In The Next 10 Years?

According to GetSmarter, organisations will become increasingly more flexible and transparent, and focus on project-based relationships and business sustainability, which will cultivate horizontal and shared leadership. Some important jobs would include Business process manager; Operations manager; Project manager and Business sustainability expert.

The workforce will become increasingly multi-generational and diverse as the workplace becomes more flexible and agile. Policies; salaries; benefits; and office layouts will need to be modified to accommodate the needs of this diverse workforce. Some important job roles would therefore be Human Resources Manager; Talent Manager; and Facilities Manager.³⁶

Virtual devices increasingly enable workplace interactions and communication to happen anywhere and at any time, therefore influencing careers to fit that new business model. Important roles would therefore be Internet of Things specialist; Information Systems Manager; Application Developer; Cloud Computing Manager; and Cyber Security Manager.

Get Smarter further state that AI; Robots; Autonomous vehicles; and the Internet of Things is changing the world of work and demands a workforce that can “*handle uncertainty; adapt to frequent changes; engage with automation; and develop their knowledge when certain skills become obsolete*”. Technological advances will be utilised by businesses to deliver value and competitive advantage. Some important job roles would be Data Analyst; Data Scientist; Fintech Entrepreneur; AI Specialist; IT Professional; and Healthcare Practitioner.

Big data; Analytics and AI will increasingly take over work that was previously performed by people, causing new job roles to open. Skills will be needed in things such as Monitoring; Creating; Operation; or Designing automated and online processes. Some important job roles include Application Developer; Business Systems Analyst; and Cloud Computing Manager.³⁷

³⁶ Get Smarter (2020): Which Jobs Will Be In Demand In The Next 10 Years?

³⁷ Get Smarter (2020): Which Jobs Will Be In Demand In The Next 10 Years?

As COVID-19 possibly increases company sustainability insecurity; forces automation and digitalisation; and encourages technological innovation; future jobs will all be influenced even more by the 5 forces listed above.

Not all Sector needs are similar, and due to this, specific sectors have been highlighted to illustrate the focus of the skills needs.

4.3 Skills focus with Municipal, Provincial and National Development Strategies

In reviewing Municipal; Provincial; National development strategies³⁸, it was found that skills within the Green Economy are in greater demand, and skills in Construction such as Plumbing and Water Management; and Engineering skills to support infrastructure development plans. Tourism related skills have also been identified as critical for the Western Cape.

In general, the development strategies did not include a skills assessment to match their needs. There is a disconnect between “job creation goals, available skills, and government efforts to address skills shortages”. This may affect implementation where there is a shortage of high-level skills.

4.4 Manufacturing and COVID-19 implications

The Manufacturing Sector has been negatively affected by the pandemic.³⁹ Manufacturing is a key sector of the Western Cape and therefore COVID-19 implications on manufacturing may have huge economic and social repercussions. Manufacturing, Engineering and related industries already had huge pressure towards automation.⁴⁰ Technology has assisted in helping manufacturers learn new production processes on the job, especially with regards to making essential equipment to combat COVID-19 spread.

³⁸ Reddy, V. Rogan, M. Mcnwang, B. Chabane, S. (2018): Occupations in high demand in South Africa: a technical report

³⁹ World Economic Forum (2020): The Impact of COVID-19 on the Future of Advanced Manufacturing and Production: Insights from the World Economic Forum's Global Network of Advanced Manufacturing Hubs

⁴⁰ Redflank (2018): Research Study: Labour and skills demand and supply

Lessons can be learnt from Italy, whereby several textile companies immediately began to re-design and convert their product(s) to make medical textiles.⁴¹

According to the WEF research 3D printing companies also immediately started making valves and parts to fill unmet needs, due to broken value chains during national lockdowns. Another innovative example from Italy was the 3D printed adapter that could convert snorkelling masks into non-invasive ventilators. Italy's Ministry of Economic Development supported industrial research and development projects that offered Industry 4.0 solutions to COVID-19. The mixed use of multi-disciplinary competences; creativity and innovation; coupled with entrepreneurial thinking and flexible companies, helped Italy's manufacturing sector to address COVID-19 economic challenges.

Agility and flexibility, coupled with Industry 4.0 technologies⁴², will help build manufacturing resilience. Furthermore, the need for remote interaction and asset management highlights the necessity of technologies like cloud-based services.

4.5 Wholesale and Retail Sector and COVID-19 implications

The South African retail sector was growing prior to COVID-19, and the Western Cape had the highest concentration of Head offices for Wholesale and Retail trade food companies.⁴³ According to Craffert and Visser, there are key elements within the Wholesale and Retail space in the Western Cape:

- ❖ *The thousands of micro retailers who use the various platforms for sale, barter and procurement.*

⁴¹ World Economic Forum (2020): The Impact of COVID-19 on the Future of Advanced Manufacturing and Production: Insights from the World Economic Forum's Global Network of Advanced Manufacturing Hubs

⁴² Industry 4.0 technologies include: 3D printing, the Internet of Things (IoT), advanced robotics, artificial intelligence and big data (World Economic Forum, 2020).

⁴³ Craffert, L and Visser, K: AS-IS Landscape: A macro-level descriptive study of the projected demand-and-supply interaction between ICT skills supply and selected growth areas in response to the accelerating technological advances

- ❖ *The emergent “Maker” movement is a social movement with an artisan spirit. Maker culture emphasizes learning-through-doing (active learning) in a social environment. Maker culture emphasizes informal, networked, peer-led, and shared learning motivated by fun and self-fulfilment.*
- ❖ *Traditional “Mom and Pop” stores or Corner Cafés.*
- ❖ *The Township Economy with its unique configuration of spaza shops, taverns, township industry and emergent retail malls.*
- ❖ *An informal sector, a large proportion of which entails survivalist entrepreneurship.”*

Digital reach of this sector has become increasingly important in the face of COVID-19 pandemic and its economic, social and spatial restrictions. Some of South Africa's biggest e-Commerce platforms are based in the Western Cape, including giants like Spree, Gumtree and Zando,⁴⁴ with 18,4 million e-Commerce users in South Africa, prior to COVID-19.

When it comes to e-Commerce, customer expectations were already rising pre-COVID-19, as *“the digitalisation of all facets of the value chain is enabling very high levels of tracking, personalisation, customisation and engagement.”* Craffert and Visser believe there is a need for significant up-skilling and re-skilling in the Western Cape Retail and Wholesale workforce, including at leadership skills, high-level sales skills and most importantly, digital entrepreneurship skills. This is even more true considering the COVID-19 pandemic.

4.6 Business and Financial Services Sector

Craffert and Visser state that the Western Cape Business and Financial Services sector is integrated into the global economy and is a leader in Sub Saharan Africa as a financial centre and a service export hub. Business services refer to work that supports businesses but does not produce a tangible commodity, such

⁴⁴ Craffert, L and Visser, K: AS-IS Landscape: A macro-level descriptive study of the projected demand-and-supply interaction between ICT skills supply and selected growth areas in response to the accelerating technological advances

as human resources or customer service. Financial services include Accountancy; Banks; Real Estate; Stock brokerages; among others.

According to research done by Craffert and Visser there are approximately 450 – 550 entrepreneurial companies working in Cape Town within this sector, that focus on software development; e-commerce; or Fintech. One of the highlighted challenges in this digital space is the lack of access to technical talent.

Most key trends driving this sector growth relate to digital skills, which will be even more true postCOVID-19, as workplaces and work operations go increasingly more digital. The financial services sector has an especially strong demand for Information and Communication Technology (ICT) skills.

4.7 Tourism Sector

The tourism sector is a key contributor to the Western Cape economy and is one of the largest employers in the Province. It received large foreign direct investment over the past decade, with the City of Cape Town (CoCT) being a destination for meetings, incentives, conferences and events. It is highly digitalised and must remain globally competitive⁴⁵.

The South African Government has prioritised Tourism in its National Tourism Sector Strategy (NTSS), and in its stand-alone National Department of Tourism (NDT). The Western Cape specifically prioritises Tourism through its Project Khulisa growth strategy, which aims to add 100 000 additional jobs to the Tourism sector.

Multi-sided platforms that integrate all aspects of the value chain have become an integral part of Tourism. Some examples of these customer-facing platforms include TripAdvisor and Expedia, which support online bookings for independent travellers. Only 22% of South African visitors use traditional travel agents and only

⁴⁵ Craffert, L and Visser, K: AS-IS Landscape: A macro-level descriptive study of the projected demand-and-supply interaction between ICT skills supply and selected growth areas in response to the accelerating technological advances

10% consult hardcopy media, whereas 33% book through vendor sites or online travel agents. Sales are now mostly driven through online marketing and interaction.

Mobile technology platform proliferation is allowing for the rise of do-it-yourself travellers, who now have instant access to self-service bookings, which is preceded by high levels of aggregated content. Platforms help track customer feedback in real time and is able to personalise offerings through analytics. This instant and transparent ratings of product performance ensure the need for highly responsive engagement, as then marketplace itself is now highly visible.

The following transitions in the tourism sector are underway according to Craffert & Visser:

- ❖ From mass markets to niche markets;
- ❖ From one size fits all to personalisation: accurate understanding through customer analytics and engagement;
- ❖ From vacation packages to self-service in key segments;
- ❖ From brochures and websites to video and virtual experiences;
- ❖ From expert and media review to social media review
- ❖ From selling of products (outbound marketing) to two-way engagement (inbound marketing);
- ❖ From traditional products to digitalised products;
- ❖ From a tourism value chain to an experience value chain that is more complex, orchestrated, personalised and diverse;
- ❖ From booking engines and websites to multi –sided platforms; and
- ❖ From desktop interfaces to mobile interfaces.

Trends show the increasing need for digital savvy employees, which will be even more so during the COVID-19 pandemic where Tourism companies must mostly pause operations and focus on marketing for when the Industry re-opens. However, currently there is little formal training for digital skills in Tourism. The Tourism Human Resource Development (THRD) Strategy Development & Skills Audit Study found that there were not only very low, unacceptable levels of

computer literacy at all levels, and high levels of unemployment for Technical and Vocational Education Training (TVET) graduates in Tourism, there was also a mismatch with employer need.⁴⁶

Therefore, a need exists for upskilling Tour guides and front-line staff, to better use internet research and build media-rich presentation and social media skills.

4.8 ICT in the Western Cape

The WCG has the vision of the Western Cape being a leading global digital hub.⁴⁷ The Western Cape has a very strong Services sector and Digital skills development was already identified by the Western Cape Shared Skills Agenda for Action, as a key part of the financial and business services sector. However, the strong growth sectors with digital skills issues include Wholesale and Retail Trade and Tourism.⁴⁸ ICT is diffused within all Industries in the Western Cape and will increasingly become more so as COVID-19 implications result in physical work-space uncertainty. The WCG has already prioritised strengthening of digital access and services, and even its diffusion into rural and under-served communities.⁴⁹

The WCG have made consistent effort to strengthen digital partnerships with institutions like Cape Innovation and Technology Initiative (CITI), as well as rolling out broadband, which means the digital literacy is significantly higher in the Western Cape than other Provinces.

Globally, technology trends like the democratisation of AI; digitalised ecosystems; and the move towards platform-based business models; people-smart

⁴⁶ HSRC (2018): Tourism Human Resource Development (THRD) Strategy for South Africa

⁴⁷ Craffert, L and Visser, K: AS-IS Landscape: A macro-level descriptive study of the projected demand-and-supply interaction between ICT skills supply and selected growth areas in response to the accelerating technological advances

⁴⁸ Craffert, L and Visser, K: AS-IS Landscape: A macro-level descriptive study of the projected demand-and-supply interaction between ICT skills supply and selected growth areas in response to the accelerating technological advances

⁴⁹ Craffert, L and Visser, K: AS-IS Landscape: A macro-level descriptive study of the projected demand-and-supply interaction between ICT skills supply and selected growth areas in response to the accelerating technological advances

technology; and ubiquitous infrastructure; towards cloud computing and always-on; always-available; limitless infrastructure environment, which has changed the business infrastructure landscape. According to Craffert and Visser, employees are increasingly able to fix their own hardware problems and some companies are even rolling out technology transfer strategies to allow employees to oversee their own technologies and making modern offices increasingly more independent.

The trend towards the digitalisation of business was already prevalent pre-COVID-19 and will only become increasingly so post COVID-19. Educational ecosystems will therefore have to train students to become technologically self-sufficient and able to stay ahead of new technologies that are proliferating the workplace or keep up with an educational space that is increasingly digitalised itself. The WCG's prioritisation of digital skills prior to COVID-19 has only become more urgent as the workplace becomes increasingly more automated and digitalised.

The South African National Broadband (SANB) Policy (adopted in Dec 2013)⁵⁰ provides a framework for a robust telecommunications environment in the Country. Aligned to the NDP, it asserts the economic beneficiation for broadband infrastructure can only be affected when the following conditions are met:

- ❖ Broadband must reach a critical mass of South Africans;
- ❖ Access to broadband must be affordable;
- ❖ Demand-side skills must be developed so broadband services can be used effectively; and
- ❖ Supply-side skills must be developed so that the economic and innovative potential of broadband can be exploited.

In July 2019 the first 4IR Digital Economy Summit was held in South Africa. Here President Cyril Ramaphosa positioned Industry 4.0 as an opportunity for South Africa to harness R5-trillion in value over the next decade- approximately the size

⁵⁰ Department of Communication (2013): South Africa Connect: Creating Opportunities, ensuring inclusion South Africa's Broadband Policy

of SA's current GDP. He was reported as saying that businesses can “*unlock economic potential and create a Silicon Valley*” in South Africa. To realise this, he has set up a 30-member commission to provide advice to Government on how our strategies and policies could support this endeavour.⁵¹

New skills such as platform development; blockchain; systems thinking; AI; and design thinking; are needed to “*develop, support, maintain, implement and grow new technology*”. However, the nature of digital skills competencies needed are specific to each Industry. For example, the Tourism sectors would require digital fluidity to navigate various platforms, website and digital tools. This warrants that each sector should develop a digital competency profile, to better enable educational eco-systems to meet sector specific skills needs. Competency in Microsoft Suite is not sufficient anymore, and competencies such as Media literacy and Data literacy are increasingly considered as essential components of entry-level digital literacy⁵².

Globalization and the 4IR have created new opportunities but also disruption and polarization within and between economies and societies, notwithstanding South Africa.

Research by Wits University and the Institute of Information Technology Professionals South Africa (IITPSA) reported a “*chronic shortage*” of the digital skills and competencies that South African businesses require. The country's education system in many ways exacerbates this problem, as it isn't geared to produce the high-end ICT skills at the scale that's needed.

Statistics released in 2018 by the Department of Higher Education and Training (DHET) reveal how little emphasis is placed on Technology. Across all Public and Private HEIs, which account for over half of South Africa's post-school student population, the share of students in programmes related to Science; Engineering; and Technology was less than 30% of total enrolments. At Technical and

⁵¹ Is South Africa Ready for the Fourth Industrial Revolution – omniaccunts.co.za

⁵² Craffert, L and Visser, K: AS-IS Landscape: A macro-level descriptive study of the projected demand-and-supply interaction between ICT skills supply and selected growth areas in response to the accelerating technological advances

Vocational Education Training (TVET) Colleges, the numbers were even lower, with only 5% of students enrolled in Information Technology and Computer Science programmes.

These lacklustre figures can be attributed to low levels of interest in Technology among students, as well as inadequate infrastructure for education and poor teacher training.

To help combat this trend, the National Government is tackling the root of the problem. Earlier in 2019, the Minister of Basic Education Angie Motshekga announced plans to include Coding and Robotics in the Curriculum for Grades R to 9. Large multi-national Tech firms like Google are reportedly assisting in building the required learning platforms, while some of the country's leading Academic Institutions have committed to help with teacher training. The success of this initiative remains to be seen, but investment at the basic education level is certainly a welcome step towards creating the pool of ICT skills South Africa needs to compete in the 4IR.

Ensuring that South Africa's workforce will be ready for the future of work, will likely require a combination of effort from various stakeholders. Mounting enthusiasm for the 4IR from different groups is a positive sign, but translating that energy into strong, cross-sectoral partnerships will be the key to effective digital skills creation. This is an area where the Sub-Programme: Provincial Skills and Partnership can strongly intervene. To bridge the digital skills gap, the Sub-Programme will engage with several training academies and internship programmes to facilitate the upscaling of these initiatives.

The fast pace of Technology advances further exacerbates the response of the supply of the appropriate skills within a Digital Economy. There is a need to develop a mechanism whereby the development of digital skills is as agile as the advancement within the area. In this regard, the Sub-Programme: Provincial Skills and Partnership will explore with all spheres of academia the establishment of a Digital Academy, which will focus on the creation of short academic programmes which will allow new entrants into the market to develop a set of skills,

which will make them ready to be productive in the digital economy in a shorter period of time.

The need for continuous learning is becoming increasingly important as new technologies change traditional ways of working. In the GetSmarter Disruptive Tech Survey, over 90% of respondents said their staff would need upskilling to deal with disruption from Technology. When asked whether they viewed continuous learning as a '*personal strategy*' or a '*business responsibility*,' 70% answered the former.

The newly launched Huawei ICT Academies in collaboration with 23 TVET Colleges in the Country, will play a pivotal role in addressing the digital skills gaps. In the Western Cape, West Coast College (WCC) and College of Cape Town (CoCT) are Huawei ICT Academies, and the roll out of the ICT programmes range from short skills to full qualifications.

The above intelligence highlights the following key points:

- ❖ The COVID-19 pandemic has significant challenges and opportunities for the education and training sector. The pandemic has disrupted the economy in relation to the sectors; jobs; the nature of work; and employment; and the delivery of skills development in the education and training space across the entire skills supply pipeline impacting basic education; post school education; and the workplace.
- ❖ 4IR skills present challenges as well as opportunity that we need to embrace and address along the skills pipeline from Early Childhood Development (ECD) level as well as upskilling the current workforce to ensure that they have the new skill sets required for the future workforce. Western Cape Education Department (WCED) and the Department of Economic Development and Tourism (DEDAT) has been in partnership for the last seven years in implementing the Software Development at Schools (SWD@Schools) Programme and are collaborating with ICT Industry members to design a sustainable model for the roll-out of ICT demand-led training fundamentals at school level. It is essential that the WCED starts looking at an I.T curriculum that is more industry ready. Through this

public private partnership, it is envisioned that both educators and learners are capacitated, and both parties are privy to an I.T curriculum that is relevant to the I.T industry with the aim to improve the learner's industry readiness post-school

- ❖ The research highlights the severity of the economic impact of the COVID-19 pandemic on Sectors. The future skills and sector specific skills to consider are outlined to assist in determining skills priorities and assess how we can assist firms and the skills supply pipeline, to determine the skills needs and explore whether skills development can play a role to protect jobs.
- ❖ The inability of the labour market and skills ecosystem to respond to Industry skills shortages, erodes business confidence, which negatively impacts investment; competitiveness; economic growth; and employment creation.
- ❖ Addressing the immediate skills gaps and preparing the workforce for the future of work are critical factors that must be addressed in the pursuit of investment; economic growth; and addressing growing unemployment.

The increase in youth unemployment further supports that new labour market entrants do not demonstrate expected capabilities required to give expression to roles in which the economy is experiencing skills shortages.

Youth unemployment results in delays in affording young people an opportunity to strengthen their existing skill sets and be included into the economy. This has been exacerbated by the inability of youth, even when employed, to display an appropriate level of interpersonal interaction to *"fit in"* and keep employment. This inability in part stems from being *"socially inadequately"* prepared youth, in part because of multi-generational unemployment and a lack of crucial parental conditioning. Coupled with low education attainment levels, high secondary school drop-out rates, and being *"socially inadequately prepared youth"*, there are persistently high unemployment rates in the country and in the Western Cape.

It is an established fact that a capable and skilled workforce is essential for a productive and resilient economy, especially under the conditions of increasing international competition. An educated workforce with high levels of competencies and diverse aptitudes, enable firms to secure progressive improvements in productivity, adaptability, ingenuity and creativity. These attributes also expand the use, experience, and transferability of employees between Industries and Sectors.

Highly qualified, knowledgeable and talented workers further contribute to Innovation and Technological progress. The increase in skill levels will improve firm competitiveness, allowing firms to promote goods and services abroad on a much greater scale. Skills Development initiatives should therefore, at the high skills end, also counteract the decline of routine manual occupations and the growth of jobs with more demanding requirements.

Currently, various entities investing into Skills Development initiatives that's not integrated due to disconnected and "silo" planning and implementation. There are systemic challenges facing the skills supply pipeline from school to the workplace that need to be address in the medium to long term which includes the quality, delivery and the skills focus aligned to Government and Industry needs. These challenges create a need for leadership in the skills ecosystem.

The lack of a holistic and integrated approach to conduct skills planning to address the skills mismatch and align the supply of skills to address the skills demands contributes to the high unemployment and inequality among society.

There is also a lack of intelligence to analyse whether there is an alignment between the supply of and the demand for skills in terms of the Industry requirements versus the supply exiting our educational institutions and employees.

5 Practical engagements with Key Stakeholders

This section of the report will focus on the information that was obtained from various role players during engagements over the past three (3) months. These engagements were either formal meetings, informal discussions or webinars that

were attended. Reports were drafted summarising the input gathered from the formal questionnaires circulated and focus groups conducted with the TVET Colleges and HEIs in the province (Annexure 1). The focus of these engagements was to determine what the impact of COVID-19 is on the various sectors, and the stakeholders' response to this new challenge.

5.1 Response of the Post-School Education and Training (PSET) Sector to COVID-19

During engagements with various DHET representatives, it was possible to determine what the Education and Training sector's response is to the COVID-19 pandemic, and the plans that they have put in place to address these challenges. Although the Sectoral Education and Training Authorities (SETAs) are also managed by DHET, they represent the workplaces and the workplace training aspect of occupational qualifications. In this section the occupational training (SETA response) was split from the theoretical training (DHET response) to differentiate the different responses to the pandemic.

5.1.1 DHET's response to COVID-19 challenges

The DHET response consist of stakeholders representing various units within the Department. Stakeholders include representatives from the Provincial offices for TVET Colleges Policy; Planning and Strategy (skills planning & data management); the National Skills Authority (NSA); the National Skills Fund (NSF); the Quality Council for Trades and Occupations (QCTO); and SETAs.

According to Rasool,⁵³ there are a few implications for the PSET sector due to the COVID-19 pandemic which includes:

- ❖ Growing shift to online learning, blended learning and other hybrid forms;
- ❖ Need for curriculum development to serve multiple learning delivery channels;
- ❖ Need for staff training; and
- ❖ Higher training costs due to social distancing mitigation measures.

⁵³ Rasool, H (2020): Paper 2: COVID-19, economy and labour market: reforms for post-school education and training

Research that was conducted by the Department in respect of the impact of COVID-19 on the Tertiary Training Sector (Annexure 1), indicated that the most pressing issues that need to be addressed were the following:

- ❖ Need for devices for students to continue with their studies off site;
- ❖ Need for data for these devices;
- ❖ Need for training of lecturers on how to adapt to new mode of teaching;
- ❖ Need work workplaces for students who are busy with workplace training components of their qualifications; and
- ❖ These issues have been addressed below by different role players in the DHET departments and is discussed in a bit more detail.

During the speech made by Dr. Nzimande on 23 May 2020, it was indicated that all the National Student Financial Aid Scheme (NSFAS) students (which make up 70% of the students public PSET institutions) will receive digital devices to use towards their studies, which will make the content of various training programmes more accessible to these students. The DHET has also negotiated zero rated websites to facilitate learning and teaching for all TVET Colleges and Universities in the country. According to DHET representatives, their current key focus area is to complete the Wi-Fi connectivity of the TVET Colleges, as this was the intent of the Saben project that was started a few years ago.

It was further announced, that DHET successfully negotiated data packages with all Mobile network operators, who will provide very favourable rates for the NSFAS students, including the Funza Lushaka students. Each student will receive 10GB daytime and 20GB night-time data for 3 months, starting from 01 June 2020 – 31 August 2020, which will be subsidised by Government.⁵⁴

Comyn⁵⁵ notes that the digital divide cannot be ignored and the uneven access to equipment, tools and skills it implies and it's important not to allow the rush to go online to widen existing inequalities. In an article published by the

⁵⁴ Nzimande, B (2020): Minister Of Higher Education, Science And Innovation Statement On The Implementation Of Measures By The Post School Education Sector In Response To Covid-19 Epidemic

⁵⁵ Comyn, P (2020): World Education Blog: TVET and skills development in the time of COVID-19

Daily Maverick on 18 June 2020, it was noted that not all the colleges have access to Wi-Fi or Internet services, and that the students are still only communicating via WhatsApp with their relevant lecturers.⁵⁶ During discussions with the Cape Higher Education Consortium (CHEC), it was confirmed that a large number of learners still don't have devices to continue with their studies, and that the Higher Education year will be extended until the end of February 2021.

The National Skills Fund (NSF) has indicated that the current curriculum at TVET Colleges are under review to determine the online vs. contact training that is needed to obtain a qualification. The digital skills that are needed for the future, also needs to be built into the curriculum to ensure that youth are ready for 4IR. The digitising of material was also a point of interest for the NSF, and it was indicated that occupational programmes that are not linked to exam time tables are better suited for digitising the content. The DHET representatives indicated that the TVET Colleges and the Community Education and Training (CET) Colleges need more assistance in the digital space than the HEIs. This is a possible space for the Department to play a role soon, to assist CET Colleges and TVET Colleges to become more digitally geared for 4IR.

The need to train lecturers, especially Engineering subject related lecturers on how to digitise training, was expressed by DHET stakeholders. This training does not only refer to placing content on the internet, but how to adapt the face to face mode of training into an online platform-based training programme. During discussions with QCTO representatives, it was indicated that QCTO is currently doing research on the digitising of content and the impact of COVID-19 on the training institutions in the country. This information will be considered in the next Skills Intelligence Report.

Research that was conducted by ILO and UNESCO found that it appears to be quite difficult, and in some cases unrealistic, to have a quick transition from face-to-face to online learning as careful planning, preparation, adaptation and an appropriate learning space are required.⁵⁷

⁵⁶ Mafolo, K (2020): Daily Maverick: TVET colleges left behind in e-learning

⁵⁷ ILO-UNESCO (2020): ILO-UNESCO WBG Joint Survey on Technical and Vocational Education and Training (TVET) and Skills Development during the time of COVID 19

Digital and e-learning expert Dr. Colin Thakur from Durban University of Technology (DUT) indicated that a training webinar to address lecturers' resistance to digital learning will assist the transition from face-to face training to digital teaching. He indicates that the concept of "*nudge theory*" must be incorporated into the transition to online platform training. Dr. Thakur indicated that during the webinar the difference between digitalisation vs. digitisation will be explored to equip TVET College lecturers with a better understanding of e-learning.

A proposal is being drafted to request funding for such an undertaking. Furthermore, the proposal will also include a webinar series for graduates and how to prepare these newly graduated adults for the new world of work due to COVID-19. The representative for CHEC also indicated a need for such guidance to newly graduated adults as the graduate has the technical skill to do the job, but not the knowledge on how to manage the changed environment.

More collaborative initiatives are required to develop training materials and facilitate distance learning among Institutions; IT professionals; Private Sector; Social partners; Internet Providers; and Governments. The ILO–UNESCO study also recommended that more collaborative initiatives are required to develop training materials and facilitate distance learning among Institutions; IT professionals; Private Sector; Social Partners; Internet Providers; and Governments.

In addition to the closure of Colleges, Comyn also notes that work-based learning is highly impacted by COVID-19, and very few Countries and Sectors have continued with workplace training during the lockdown periods. This element of TVET programmes is the most affected by the Pandemic, and its impact is highest in Countries where it is a compulsory part of the curricula, such as in South Africa. As indicated in the research done by the Department, this is also an area that is under pressure in the TVET College sector. Workplace training usually takes place as part of a qualification and entails companies to open their work sites as training places for young people.

With many Small Businesses closing their doors, it will be more difficult to find Host Employers for young people to complete their qualifications. Another constraint is the number of workers that can be at the workplace at any given time due to the lockdown regulations. It will be more important for a company to provide working hours for his/her employees to earn their salaries, than a student who is still in the process of obtaining their qualification.

Another aspect that will influence workplace training, is the lack of funding for workplace training due to the reprioritisation of funds for COVID-19 matters. The pandemic has placed a lot of strain on the economy and on the financial resources of our Country. With these constraints in mind, the Sub-programme proposes that an area where an impact can be achieved is through facilitating workplace training opportunities for students from TVET Colleges. The funding of stipends; securing of Host employees; and the monitoring of workplace training, forms part of the assistance that the Department can provide to ensure that there is still a flow of artisans and young people entering the labour market post-COVID-19. The Sub-programme: Provincial Skills and Partnership will collaborate with the Sub-programme: Skills Programmes and Projects, to facilitate the Placement of the students at Host employers. Stipends will be allocated according to the qualification type and level, which is predetermined by the Skills Programmes and Projects team.

The response by the Department to this challenge is to assist the TVET Colleges through the programmes already existing projects such as Artisan Development Programme (ADP) and the Work and Skills Programme (WSP). These two units will assist the workplace training effort by connecting Host employers on the Department's Database to the relevant Colleges, in facilitating workplaces for students to complete their qualifications. The intent of this intervention is to assist students with completing their qualifications, but it is also to ensure a supply of workers into the various Industries in the short-term. If students don't complete their qualifications, a shortage of artisans going through the pipeline will be encountered.

To support the evidence-based data approach and to ensure we have a Provincial footprint in the National Labour Planning process, the Department has initiated a partnership with the Policy, Planning and Strategy unit at DHET.

The unit is rolling out a labour market intelligence partnership to develop a National Priority Skills list. Extensive consultation is being held with key stakeholders including Labour; Industry; and relevant Sector bodies to confirm the final list.

The DHET unit is keen to work with the Department in developing Provincial Priority Skills list that reflects the Provincial skills demands. It is an opportunity for DEDAT to share this information with our sector bodies to check whether it reflects the Provincial Sector Skills needs. It's key we understand and influence the Provincial needs to be incorporated, as this will ensure that the planned skills interventions supported and funding by these entities are targeted at the Provincial skills needs that firms can access.

The Sub-programme: Provincial Skills and Partnerships has also initiated the conclusion of a new Memorandum of Understanding (MoU) with DHET, to assist in the sharing of Provincial supply data intelligence on SETAs, TVETs and HEIs.

The partnership with the NSA will also positively contribute to the skills planning process whereby they will be commissioning key research and reviewing the policy shifts, impact and the way forward that the stakeholders in the skills landscape will use towards addressing the impact of COVID-19 pandemic on education and training. The outcome from our engagement is that we'll partner moving forward by sharing research intelligence and participate in planned webinars with experts to unpack key issues like the impact of digitisation on education and training, the impact of the pandemic and the policy changes to be considered to ensure the educational supply pipeline is responsive to the skills demands of the Country.

5.1.2 SETAs response to COVID-19 challenges

This section will refer to the engagements with various SETAs and the Department's response will be clarified in the recommendations, based on the market intelligence and the engagements.

The President of South Africa has declared that companies can take a 4-month holiday, in paying their Skills levy contributions⁵⁸. This would have a severe impact on the funding for SETA's for the rest of the financial year. Workplace Skills Plan (WSP) dates have also been changed, with the submission date shifting to end of May 2020, and not April 2020 as originally planned.

A representative of the Local Government SETA (LGSETA) has indicated that the payment holiday has a severe impact on the funding of programmes such as internships, and that the SETA's are now exploring co-funding models to ensure that they still reach their targets.

According to a communique that was sent out to all the SETA's by DHET⁵⁹ all SETA's must continue to pay stipends to learners where learning is taking place via e-learning, and where there is proof that the learners are participating in these learnings. If learners are busy with workplace training components, and the learners are working from home, the SETA's must pay the learner's stipend. All bursaries that are funded by SETA's had to be maintained, and at that stage all trade testing was stopped until further notice (late March 2020). Furthermore, during a speech by the Minister for Higher Education and Training in May 2020, a call was made to Private and Public institutions to make their workplaces available training spaces, to ensure continuation of practical assimilation.⁶⁰

⁵⁸ Ramaphosa, C (2020): Statement by President Cyril Ramaphosa on further economic and social measures in response to the COVID-19 epidemic-21 April 2020

⁵⁹ DHET (2020): Sectoral Education and Training Authorities COVID19 guidelines

⁶⁰ Nzimande, B (2020): Minister Of Higher Education, Science And Innovation Statement On The Implementation Of Measures By The Post School Education Sector In Response To Covid-19 Epidemic

SETAs have also committed to priorities Skills Development related to COVID-19 pandemic areas in support of the supply and demand of essential goods and services during COVID-19 period and beyond, with a focus on the provision of opportunities for Small Enterprises and Cooperatives. Rasool⁶¹ states that sector skills planning, and plans should engage with these new realities. Supply-side organisations such as SETA and training providers can only remain relevant if they respond appropriately to the needs of Society.

These responses must be reflected in future Sector Skills Plans (SSP) and training budgets. It cannot be business as usual. This also opens the door for the drive of re-skilling of employees, as it will not be business as usual. During discussions with SETAs it was indicated that the WSPs that was due in May 2020 might have a focus on re-skilling employees, and that this is a space that will have to be explored in more detail.

Relief packages such as the Training Layoff Scheme that is run by the Commission for Conciliation, Mediation and Arbitration (CCMA) and the Department of Employment and Labour (DoEL) must be utilised to provide re-skilling employees in a time when Companies are battling to survive. This will reduce the unemployment numbers, while the employees get the opportunity to gain relevant training by the SETA's in the specific Sector.

In response to these changes in the training landscape, SETA's are looking at digitising their qualifications. As per the QCTO communique in response to COVID-19, the QCTO indicates that *"while current regulations around many qualifications and trades on the OQSF generally forbid online or distance learning, the QCTO recognises the reality that the nation faces an extended period of some form of social distancing for an indefinite period of time. As the custodian of qualifications and trades on the OQSF, the QCTO has taken the decision to relax regulations around the mode of delivery for qualifications on this sub-framework. Such relaxations depend on the "nature" of the qualification, but a one size fits all approach cannot be followed"*.⁶² SETA's

⁶¹ Rasool, H (2020): Sector Skills Planning And Plans Amid The Covid-19 Pandemic

⁶² QCTO (2020): COVID-19 Memorandum 1- 4 May 2020

have started to explore the possibility of revisiting their qualifications to re-design it for multi-modal delivery. The Culture, Art, Tourism, Hospitality and Sport SETA (CATHSSETA) has indicated that the SETA is doing research on the 5 most trained programmes per Sector, and these 5 training programmes will be rewritten to incorporate multi-modal training, including e-learning modules.

In the latest communication from SETA's to their various stakeholders, 33% of learners can return to training sites and Trade Test centres to continue with their studies. Certain SETA's will also not pay for any stipends from 01 July 2020 if the learners are not back at their worksites.⁶³ The response by SETA's will change and adapt as the economy and people emerge from the nation-wide lockdown, with the focus being to reduce the spread of the virus.

5.2 Response to Sectors

Economic sectors are large groups of the economy grouped according to their place in the production chain, by their product or service or ownership. The classical breakdown of the economy is divided into 3 Economic Sectors namely the Primary Sector, the Secondary Sector and the Tertiary Sector. According to this 3-Sector model, the focus of an economy's activity shifts from the Primary, through the Secondary and finally to the Tertiary sector.

The purpose of the Chief Directorate: Economic Sector Support (ESS) within DEDAT, is to stimulate Economic Growth through Industry Development; Trade and Investment Promotion. Sectoral programmes and Trade and Investment are seen at all levels of Government, as key mechanisms for the Country to achieve employment and economic growth potential. A sectoral approach provides the strategic framework for industry-facing components of any key strategic priorities which would be identified, through a deep understanding of the industry policies, implementation strategies and networks underpinning each Sector.

⁶³ INSETA Communiqué (2020): INSETA Support for Learners During COVID-19- 12 June 2020

Sectoral programmes and Trade and Investment are seen at all levels of Government as key mechanisms for the country to achieve employment and economic growth potential. Critically this includes the need for a focus on the following sectors:

- ❖ Agri-Processing;
- ❖ Manufacturing;
- ❖ Marine/Oceans Economy;
- ❖ Finance, Business Services & BPO;
- ❖ Tourism;
- ❖ Retail; and
- ❖ Transport and Logistics

To be successful in achieving the Department's objectives, a Sector Development Strategy (SDS) is currently being commissioned by the Chief Directorate: ESS. The objective of this Sector 'deep-dive' by the Chief Directorate is to enable the drafting of a Sector Strategy that would drive initiatives within each prioritised Sector, to achieve economic growth and create employment opportunities. Notwithstanding this objective, with the advent of the COVID-19 pandemic in South Africa, which has created profound disruptions to our economy, a Sector Strategy by the Department must consider how the prioritised Sectors were disrupted by the pandemic.

Various economic modelling on the impact of the pandemic on Industries, as well as the workforce within these industries have been undertaken. These studies have depicted a contraction in both Gross Value Add (GVA) and employment as a direct result to the COVID-19 pandemic on the Country. This impact is demonstrated in the table as Figure 10 below:

Figure 10: GVA and Employment losses per sub-sector

	Total GVA in 2019	Net GVA loss	Net loss as a % of sub sector	Total employed in 2019	Net Employment Losses	Net employment loss % of subsector
Tourism	15534736	9283443	59.76%	174982	74646	42.66%
Agriculture	21094310	1335973	6.33%	209798	10763	5.13%
Mining	1743156	154562	8.87%	4590	75	1.64%
Manufacturing	94959965	6540570	6.89%	295183	6565	2.22%
Electricity	17704233	614148	3.47%	8892	92	1.03%
Construction	31715441	4499025	14.19%	159542	14750	9.25%
Trade	102087570	9029504	8.84%	354328	21794	6.15%
Transport (incl telecomms)	59716800	7845122	13.14%	54100	2028	3.75%
Finance (finance, insurance, real estate and other services)	156953508	7384327	4.70%	466741	2670	0.57%
Community services (Public admin, defence, health & social work, other community services)	111637537	9197565	8.24%	354331	9114	2.57%
Informal	-	-	-	301543	32522	10.79%
Total	613147256	55884239		2384029	175019	
		9.11%			7.34%	-7.34%

The Sector Strategy must consider the disruption of the COVID-19 pandemic to sectors in relation to the impact to the GVA and loss of employment.

5.2.1 Catalytic Infrastructure as a response to economic growth and employment

Catalytic Infrastructure (infrastructure for business) opens new opportunities specifically for job creation purposes. For the purposes of Infrastructure, the Department sought to support the development of economic development infrastructure that can attract investment thereby growing the Western Cape economy and creating jobs.

The infrastructure projects adopted by the Department were as follows:

5.2.1.1 Saldanha Bay Industrial Development Zone (SBIDZ)

The development of the Saldanha Industrial Development Zone (SIDZ) will continue as a key driver of the Oil and Gas and Marine Engineering Sector with the first elements of the customised infrastructure of the Oil & Gas and Marine. There is an Engineering hub in place in Saldanha Bay, with the IDZ playing a catalytic role to unlock the industrialisation potential of the West Coast, and Saldanha.

5.2.1.2 Cape Catalyst (formerly named Strategic Economic Development Infrastructure Company (SEDIC))

The SEDIC Project team is working with DEDAT and other relevant Government partners and stakeholders, to initiate the development of its pipeline projects based on critical areas requiring intervention and support from an infrastructure point of view.

The determined pipeline projects will ensure that the Western Cape is renowned for its resilient and sustainable economic development infrastructure, which will in turn unlock investment and job creation for the Region, with a focus on stimulating exports in tradeable exports as may be required.

5.2.1.3 Atlantis Special Economic Zone (ASEZ)

The ASEZ entity was established in 2019 as the managing company for the ASEZ in alignment with the SEZ Act 16 of 2014. This was a critical step towards operationalising the Green-technology focused ASEZ, which aims to catalyse significant investment and job creation over the next five years into the Region.

The ASEZ corporation will continue to implement the already initiated and successful investment recruitment drive to achieve the 5-year outcome target of value of investment facilitated. Lastly, the ASEZ will continue to implement the skills-, enterprise- and community development programmes with and for the Businesses and Community of Atlantis.

The Sub-Programme: Provincial Skills and Partnership have had many engagements with SEDIC regarding the implementation of skills-, enterprise- and community development programmes with and for the Businesses and Community of Atlantis. Through these engagements, it could facilitate a collaboration between Green Cape, SEDIC and West Coast TVET College, which resulted in the planned intervention for one hundred (100) Atlantis based unemployed youth candidates to be trained in the Occupational Readiness Programme (ORP). This training will allow Atlantis youth to articulate into further training opportunities, such as technical occupations and

construction focused skills, that will be responsive to the skills needs of the Atlantis SEZ and overall Green Economy Sector. This skills intervention is aligned to the DEDATs Regional approach, which aims to drive the co-ordination of Skills Development by supporting LED, to enable job creation within a specific Region.

The Department has facilitated the establishment of the ASEZ Stakeholder Forum, which has allowed various stakeholders to engage regarding the skills development needs in relation to the ASEZ. These stakeholders include: West Coast TVET College, WESGRO, Green Cape, CoCT, DOEL and Labour and Swartland Investments.

The Department's role in driving the conversations between the various stakeholders will positively contribute Skills Development initiatives aligned to unlocking catalytic sectors. The Atlantis SEZ require suitably skills labour for future investment imperative for the local community to access increased job opportunities.

The establishment of the forum will a key strategic engagement platform to identify the short to long term green economy and other related demand-led skills required by the Atlantis SEZ and other private sector partners. It will try to ensure that there is sufficient skill supply of service providers offering skills programmes that are responsive to the skills needs with the aim to narrow the gap between the relevant supply of and the demand of skills required to support the short to long term skills needs. One of the initiatives that stemmed from this Forum is the funding secured for the 100 ORP learners to be trained by WCC.

The stakeholder forum is also driving stronger collaborations with key partners that will address the skills supply pipeline to meet the short to long term skills needs. These include the WCED addressing the long-term systemic need to for the future skills occupational needs; to respond to the Green Economy skills needs by providing Career Awareness opportunities on the various occupations, and raise interest among the youth about the various career profiles that influence their career choices; which aims to influence their

decision to select more Green Economy and similar sector related career opportunities.

It also ensures that the Service Providers within the areas have stronger engagements with the Industry partners, to identify these short to long term skills that will ensure the current and future skills course and qualification offerings are aligned to high occupations in demand, and vocational training responsiveness to Industry needs, that allows for the sustainability of these providers.

These include Public-Private collaborations established between Service Providers within the area i.e. Public TVET College – WCC and South African Renewable Energy Technology Centre (SARETEC) etc.

5.3 Adopting a Regional focus

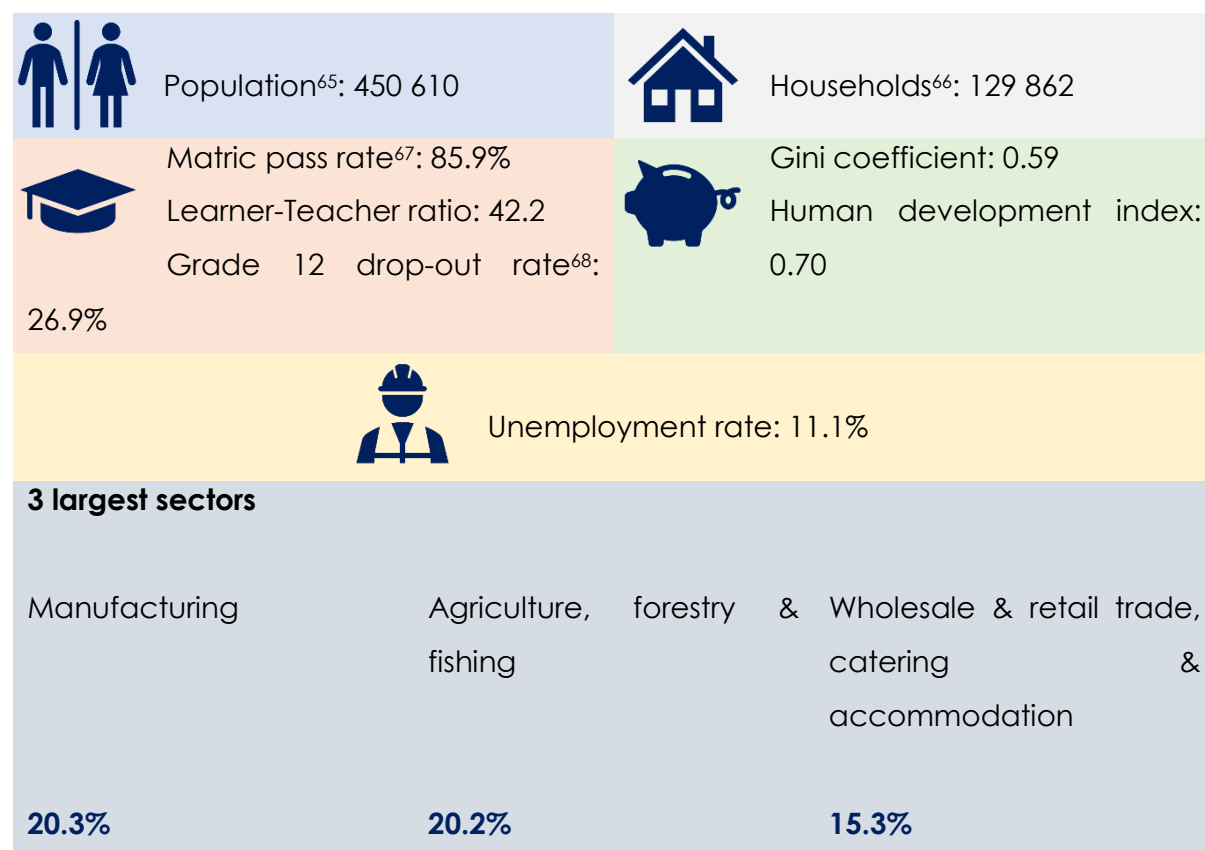
The Department's objective is to adopt a Regional approach to skills development in the Province. This approach is largely due to the Public Sector operating in “silos” and not partnering with locals as cohesive teams, to drive LED.

The Province has very little intelligence in the Regions, in respect of what drives the local economy, and thus, how to support the SMMEs and larger firms within the Region. The Transfer Payment Agreement (TPA) with the West Coast District Municipality (WCDM), will enable the ability to work with the given environmental conditions to shape a better future, to see and understand what is going on in the local economic eco-system, and a mechanism for key stakeholders and institutions from all spheres of society, the Public and Private Sector as well as Civil society, work jointly to create a unique advantage for the locality and its firms; tackle market failures; remove bureaucratic obstacles for local businesses; and strengthen the competitiveness of local firms/SMMEs.

To test the Regional Model, the Department implemented a pilot on the West Coast by partnering with the WCDM, to drive their LED Strategy.

The WCDM, which includes the Towns of Saldanha Bay; Malmesbury; Clanwilliam; Vredenburg; and Moorreesburg, has Industries that range from “manufacturing in Saldanha; Atlantis; and Malmesbury, to Agriculture and Forestry centred on inland Towns like Moorreesburg (wheat); Cedarberg (forestry); and Citrusdal. Cement is made in Riebeeck West and Piketberg and Fishing takes place all along the coast.” Rooibos tea and shoes are also made in Clanwilliam. Furthermore, “the Port of Saldanha Bay is the principal port for the export of iron ore and with the impending declaration of the Saldanha Industrial Development Zone, is gearing up to service the continent's oil and gas industry with oil rig maintenance among the services.”⁶⁴ North of Saldanha there's mining of mineral sands.

Figure 11: Overview of West Coast District



Data sourced from: WCG, 2018

⁶⁴ Young, J (2020): 2020 regional economic overview of the Western Cape

⁶⁵ Estimate for 2018

⁶⁶ Actual for 2016

⁶⁷ As of 2017. This is in comparison to the province drop-out rate of 84.3%.

⁶⁸ As of 2017. This is in comparison to Cape Winelands (30.8%); Overberg (35.3%); and Garden route and Central Karoo (36%)

In the West Coast, the greatest contribution to the District GDP was Manufacturing and consequently, Agriculture as a sub-sector.⁶⁹

ArcelorMittal South Africa, a steelworks plant in Saldanha Bay, is shutting down, despite huge Government efforts to incentivise it to stay open or sell. This could mean the loss of nearly 2000 jobs in total⁷⁰. While the plant may re-open when the business cycle and market gain positive momentum, there is huge socio-economic implications in the interim, and with the uncertainty of COVID-19 long term effects on the economy, it is a concern that those jobs lost will not be regained states Nkondlo. ArcelorMittal is just one company among many, that are suffering from macro-economic structural forces, which have only been compounded by COVID-19.

The WCDM was established in 2014, to focus on specific cross-cutting issues within the Regional Economy.⁷¹ WCDM has a collaborative model that brings together Private Sector CEOs who operate within the Region, and Provincial, District and Local Government, as well as with National Government and government programmes as needed. The WCDM meets every 6 weeks with the intention to promote growth and investment by removing barriers and identifying and taking up new opportunities. Its interventions sometimes include up-skilling and re-skilling, such as in supporting Aquaculture projects within the Region.

This up-skilling and re-skilling may need to be expanded to assist the West Coast labour force to become more digitally savvy, to meet current and future digital needs as the COVID-19 pandemic increases automation and digitalisation.

⁶⁹ Parliamentary Monitoring Group (2020): Western Cape Provincial and Municipal Economic Review 2019/20

⁷⁰ Nkondlo, N (2020): Double-whammy for working-class and poor: ArcelorMittal job losses may rise to 2 000

⁷¹ West Coast District Municipality (2020): West Coast District Municipality Annual Report 2018/2019

6 Conclusion and Recommendations

The key message is that Skills Development should not be seen, or provided, in isolation. It is a means to promoting decent work; improving productivity; generating employment growth; and promoting economic and social development. Coordination with other policies and strategies (e.g. National Development strategies, Sector Growth strategies) is therefore critical.

This can be achieved by adopting a Sector Skills Strategy that encompasses:

- ❖ Promotion of a sector-based approach to Skills Development (e.g. through sector skills councils or the equivalent);
- ❖ Strengthening of workplace learning, including apprenticeships or other forms of on-the-job training;
- ❖ Unpack the current and new jobs and the type of skills required and the delivery of training to support this skilling i.e. for current workforce – introducing job rotation that requires “re-skilling” and “upskilling” of employees to new skill sets to remain relevant and not redundant. For new entrants, exposure to the new digital learning skill sets as well as workplace readiness to fit into the new world of work in terms of working remotely, social distancing and the “new norm” of the workplace etiquette.
- ❖ Public–Private Partnerships, including joint management of training institutions and joint delivery of training, involving the Public and Private sectors and NGOs in improving outreach;
- ❖ Improved matching of skills demand and supply - The Skills Development system needs to be responsive and relevant to labour market needs, with good coordination between demand for and supply of skills. To this end, the policy should support active and regular engagement of the social partners;
- ❖ Improving mechanisms for anticipating skills demands (current and future) and disseminating the information to inform policy making and the planning of training;
- ❖ Integrating strategies that embed Skills Development within broader development strategies (e.g. industry sector development, local economic development, youth employment);
- ❖ Strengthening quality assurance in delivering training, through benchmarks and criteria for providers, and certification systems that increase the value of qualifications and certificates;

- ❖ Enhancing employment services to improve the matching of jobs and skills, the collection and provision of labour market information (i.e. job opportunities and skills requirements), and the linkage of that information with training;
- ❖ More flexible training provisions in respect of both content and delivery (to include, for example, modular-based, part-time, on-the-job and/or mobile provision), possibly within a system that grants institutions greater academic and managerial autonomy while retaining centralized quality assurance and funding.

The COVID-19 pandemic has presented significant challenges and opportunities for the education and training sector. The pandemic has disrupted the economy in relation to the sectors; jobs; the nature of work; and employment, and the delivery of skills development in the education and training space across the entire skills supply pipeline impacting basic education, post school education and the workplace.

We urgently need to respond to the COVID-19 crisis and its impact on the skills development landscape. Technological innovation is a key feature of our rapidly changing environment. The changes in the environment requires an enhancement of stakeholder relations, integrated planning and identifying best approaches for skills development stakeholders to respond to the challenges and create an environment through engagement for advocacy in the basic education; post school; and workplace skills development environment.

Through structured engagement, supported by market intelligence, shared across stakeholders will allow for an understanding of the challenges faced by all stakeholders, their response to these challenges, practical solutions and sharing of best practices.

Skills Development is the shared responsibility of Government; Employers; and individual Workers; with social partners playing a critical role. Skills are fundamental to, but not sufficient for, gaining decent jobs: linking skills with employment opportunities and decent work is critical, and skills need to be an integral part of economic growth and employment strategies.

Lifelong learning is an important goal to be pursued via specific programmes. Equal opportunities for education and training must be provided to all, including those engaged in the informal economy.

To push the shared responsibility agenda and address the key challenges, opportunities and trends outlined in the report, the following recommendations are outlined to be driven by the Skills Partnerships Sub-programme and other key stakeholders in the skills ecosystem:

- ❖ Support the skills engagement framework to drive social dialogue and integrated skill planning between the 3 spheres of Government; Industry; and other social partners, through the established relationships and existing Provincial engagement platforms like the TVET SETA Forum with the DHET (skills planning, digital and TVET units); DoEL; District Municipalities (DM); and NSA. The TVET SETA Forum between Public Colleges; SETAs; NSF; and the WCG. This Forum is the first of its kind in the Country, to enable a practical mechanism where skills supply meets the demand of the Provincial Sector Skills priorities.
- ❖ Work closely with partners like the NSA; DoEL; and DHET to Investigate and analyse skills policy trends and skills development approaches, which will influence the skills planning and approach by Government and Private Sector to address the impact of the pandemic. Drive engagement platforms which will facilitate the sharing of best practice and identify new innovative skills solutions and interventions to support the digital learning, to possibly scale skills opportunities.
- ❖ Strengthen the relevant inter-departmental Sectoral Team collaborations; participate and partner with sector bodies; firms and industry associations related to the relevant key sectors, to define the ever-changing skills needs and job demands in the short to long term. Strengthening linkages between the supply institutions and these Industry linkages, to define skills needs and strategic partnerships to work closer together to address skills demands.
- ❖ Unpack entry to high-end skills need to be unpacked and how we collectively aim to achieve these skill levels. New entry learners exiting Educational Institutions and entering the workplaces will be a focus group, as well as the employed people

that look at “multi-skill” or “re-skill” to fit new jobs purposes. The world of jobs is changing – the type of jobs and skills required are changing.

- ❖ Share best practice and develop joint solutions to respond to the digital learning space that will support the Academic Institutions, as well as the learners; graduates; and the workplace employers and employee, to embrace the “*new norm*” and mind shift to digital learning. Review the infrastructure and support required for all the role-players in the pipeline, so the beneficiaries can access the digital learning opportunities to address the “*digital divide*”.
- ❖ Explore the “*digital accelerator hub*” and the Digital Leadership Forum proposed at the PCS in September 2019. Encourage Public-Private collaboration between Industry, for the sharing of best practice and offering joint projects to expose people to digital and future world of work skills.
- ❖ Explore the “*micro credential*” approach to digital or blended learning, whereby people can earn credits and/or incentives while learning and completing modules on a flexible basis.
- ❖ Share best practice and develop joint solutions to respond to workplace learning that will support workplace learning (internships, apprenticeships, learnerships and other form of workplace learning. The COVID-19 pandemic has resulted in future uncertainty of companies' ability to open their workplaces at the reach and scale pre-COVID 19. This could negatively impact the exposure of graduates to access workplace learning to gain access to their qualifications as well as any exposure to the workplace. The “*new workplace*” could be starting your first day from home.
- ❖ Explore collective ideas to prepare Graduates for the new world of work. To increase employability for work readiness, as well as exposing learners to “*practical component*” linked to qualifications to be able to qualify and improve the relationship and credibility of these Institutions with Industry and hopefully a “*better supply*” feeding into Industry. We could get the buy-in and commitment of companies to expose learners exiting the hub to be placed via the Work and Skills Programme or another partner funding workplace programmes.

- ❖ Address high unemployment with a specific focus at learners that is NEET and/or matriculants through massified occupational/workplace readiness with a focus on soft skills programme. Focus on unemployed youth in rural areas – NEETs. Impact of COVID-19 could further bridge the digital divide or we could turn it around and turn this into an opportunity. Continue to explore readiness programmes focused on numeracy; literacy; digital; and work readiness – other key areas could be included. We could digitize the programme to massify. Infrastructure and support to be provided to the learners to access digital learning – data, Wi-fi hot spots access etc.
- ❖ Explore how we support SMMEs to upskill for the changing world of work so people don't have be laid off but their roles are shifted to accommodate the firms' new requirements. SETAs do fund workplace training; we need to explore how we compliment what is available to financially support firms. needs to be unpacked to determine what we could do that's radical and support firms especially SMMEs.
- ❖ Explore supporting alternative training programmes outside of the current scope and revisit some of the sector skills needs (firefighting; mechatronics; 2D animation; boat building) that are beyond the A21 scope and focusing on QCTO new occupational programmes to be implemented.
- ❖ Many professionals believe the responsibility to upskill lies with individuals rather than the Companies they work for. In this area, a need for a Digital Leadership
- ❖ Strategy has been identified, the Sub-Programme will work with captains of Industry in the establishment of a Digital Leadership Strategy. This will allow for leaders of Industry to take responsibility for capacitating its workforce to respond to the needs of the Digital Economy. The Sub-Programme can further support this by engaging and eliciting support from the various SETAs to capitalise on funds from levies paid by companies towards education and training, i.e. direct funding towards digital skills for employees.

- ❖ Continue to drive the evidence-based data planning approach to support our future skills planning by driving a Provincial “skills ecosystem” that outlines a correlation of demand data and supply data of all skills interventions

The investigation of these recommendations outlined in the report will assist to shape the future planning of the Skills Programme to:

- ❖ Identify interventions and innovations that will enhance the skills eco-system by supporting and increasing the reach and scale of skills interventions. These interventions will target the supply of relevant skills for current and future demands of priority sectors in the Western Cape;
- ❖ Lead stakeholder co-ordination to drive collaborations between stakeholders to address immediate to long skills needs and drive systemic change to improve the skills supply pipeline;
- ❖ Coordinate the implementation of joint projects between stakeholders that address immediate skills needs and ensure that these skills offerings are responsive to industry needs; and
- ❖ Implement WCG funded interventions that support collaborations to address blockages and support innovative to equip people with the skill sets for the future to improve their employability and livelihoods.

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Programme 7 : Skills Development and Innovation

Sub-Programme 7.1 : Provincial Skills and Partnership

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