Western Cape Government
Economic Development and Tourism

Sub-programme 7.1

Provincial Skills and Partnership

Skills Intelligence Report

On

Skills Demand and Supply

2020/2021 Performance Reporting Period

Quarter 4

OFFICIAL SIGN-OFF

It is hereby certified that this Skills Intelligence Report on Skills Demand and Supply in the Western Cape:

- 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 Stakeholder Engagements and Desktop Research.

- 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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The objective of the Skills Intelligence Report for this quarter is to:

1. Provide a broad overview of skills demand and supply in the Western Cape.

The report has been divided into four parts to address the points above:

PART A: Global overview of Skills Demand and Supply

- Presenting a worldview of Skills Demand and Supply;
- Reflecting on the impact of the Covid-19 Pandemic on Skills Development
- Skills Development and the future of learning during and post the Covid-19 pandemic in South Africa
- The effects of the pandemic on businesses in SA
- Impact on youth employment, gender and Skills Development
- Accelerated Digital transformation as an opportunity
- Boosting decent jobs and enhancing skills for youth in Africa's digital economy
- The Challenge
- The Opportunity
- The Programme

PART B: Demand and Supply in South Africa

- Summary of the skills Supply and Demand in South Africa (DHET Report – focus on)
- Qualification-job mismatch is comprised of two dimensions
- Technical report summary of Critical Skills list (LMIRP)
- Technical report summary of the Occupations in high demand (LMIRP)
- Critical Skills List
- List of Priority Occupations
- Employer engagement - Demand survey (3rd Quarter 2020/21)
- Demand Data in Q2-Q3 for 2020 as per the vacancy reports by Media24
- Occupations in high demand per quarter
- Trends of the job market over the last 24 months March 2019 to February 2021
- Analysis and correlation between Skills Supply and Demand (Media24 and DHET data of quarter 3 of 2020/21)

PART C: Academic Supply within the Western Cape

- SETA Placements (Employment in the Manufacturing Sector – The Clothing Industry under the spotlight)
- Manufacturing as the 4th Largest Industry in South Africa
- Qualification and Occupation Placements by SETAs
- The lowest placed qualifications for 2020 in the Western Cape by SETAs
- Placed Qualification Levels by SETA's in the Western Cape 2020 based, on DHET Supply data
- Placements by Programme Type

PART D: Conclusion and Recommendations

- Key recommendations from the analysis of Skills Supply and Demand
- Conclusion
- References

Scope of work

1. Desktop research to identify and provide a descriptive overview of (International, South African and Western Cape specific) Skills Demand and Supply related research / publications as it relates priority sectors of the Western Cape.
2. Desktop research and stakeholder interviews to obtain a descriptive overview of Demand and Supply within Higher Education Institutions (HEIs) viz Universities; TVET Colleges.

Project deliverables

Refer to the full report

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List of Acronyms

4IR	Fourth Industrial Revolution
AU	African Union
COVID-19	Coronavirus Disease 2019
CSL	Critical Skills List
CTFL	Clothing, Textiles. Footwear and Leather
DEDAT	Department of Economic Development and Tourism
DHET	Department of Higher Education and Training
FP&M SETA	Fibre Processing & Manufacturing SETA
GDP	Gross Domestic Product
HSRC	Human Sciences Research Council
ILO	International Labour Organization
IPAP	Industrial Policy Action Plan
ITU	International Telecommunication Union
LMIRP	Labour Market Intelligence Research Programme
LPO	List of Priority Occupations
MERSETA	Manufacturing, Engineering and Related Services SETA
NATED	National Accredited Technical Education Diploma
NCV	National Certificate Vocational
NDP	National Development Plan
NGP	National Growth Path
NIOH	National Institute of Occupational Health
NSA	National Skills Authority
OIHD	Occupations in High Demand
PSET	Post School Education and Training
PSP	Provincial Skills and Partnership
SAQA	South African Qualifications Authority
SETA	Sectoral Education and Training Authority
SIR	Skills Intelligence Report
STEM	Science, Technology, Engineering and Mathematics
TVET	Technical and Vocational Education Training
UNESCO	United Nations Educational, Scientific and Cultural Organisation
UIS	United Nations Institute of Statistics
VIP	Vision Inspired Priority

WPBL	Work Place Based Learning
W&R SETA	Wholesale & Retail Sector Education Training Authority

1 Introduction

Two (2) of the five (5) priorities for the Western Cape Government (WCG), relates to Vision Inspired 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 Skills Intelligence Report produced by the Sub-Programme: Provincial Skills and Partnership (PSP) 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 provides a global overview of skills demand and supply. It also provides an overview of Occupations in High Demand (OIHD) and the Critical Skills List (CSL) as published by DHET in South Africa. The report delfts into academic supply of skills within the Western Cape as well as employer engagements and how the pandemic affected skills development relating to demand for skills in the Western Cape. Finally, the report provides a correlation of supply and demand in the Western Cape and how it relates to OIHD and CSL.

Western Cape Government
Economic Development and Tourism

PART A

Global overview of Skills Supply and Demand

1 Presenting a World view of Skills Supply and Demand

The world's working-age population will increase by about 700 million people between 2019 and 2035. Assuming no change in women's and men's respective participation rates of 50 and 80 percent, this means that an additional 470 million people will be seeking work – most of them in the private sector. Most people in low-income countries work, because they have no alternative. The problem is that many of these jobs produce low incomes and are insufficient to help them climb out of poverty. Some also face unsafe or abusive working conditions.

The central challenge is to create more productive jobs with higher incomes and better working conditions. While it is important to boost formal sector jobs, it is also crucial to improve the productivity and earnings of informal sector jobs — which are the main source of income for most people in low-income countries — by connecting them to markets on more favourable terms.

According to World Bank calculations, one third of the working age population in low- and middle-income countries lacks the basic skills required to get quality jobs. Besides the cognitive skills, they are also missing a whole range of other skills, required by the world economy. In a rapidly changing global economy, employees need to develop problem-solving, leadership, and technical skills to stay abreast with technological and fast pace changing world we live in today.

It is vital that employees are helped with the necessary skills and maintain them by cross-skilling and re-skilling, makes economic sense. Unskilled workers either become unemployment or must take unsteady low-paid jobs that offer little career growth and job satisfaction. This in turns reduces labour force productivity and limits economic investment. The private sector can't flourish when there isn't a skilled workforce to sustain it. Key issues for skills development include access to quality education, costs to start or continue training, and having a relevant curriculum that justifies the investment.

The World Bank partners with countries, have multilateral development partnerships, and the private sector to open access to education, match the needs of the labour market, and teach critical skills which benefits both the recipients and the Country. It provides financial and analytical assistance and engages in policy research and analysis. Good, inclusive jobs are the surest pathway out of poverty. A productive private sector that operates on a level

playing field - one that provides jobs for all walks of society - is key to ending extreme poverty and boosting shared prosperity; research shows that rising wages account for around 40 percent of the drop-in poverty over the last decade.

2 Reflecting on the impact of the Covid-19 Pandemic on Skills Development

In part two of the National Skills Authority (NSA) webinar series themed "Negative Effects of Coronavirus Disease 2019 (Covid-19) on Skills Development and Training in the Workplace", it was sighted that technology is becoming the main driver of change in today's world. It is a time where it is crucial for business leaders and employers to understand the major shifts that are happening in the industry, to ensure that their skills planning, and other strategies are in place to survive the negative effects of the Covid-19.

Zukile Mvalo, Deputy Director-General Department of Higher Education & Training (DHET), pointed out that 94% of the world's workers live in countries affected in some way by Covid-19, and that many had lost their jobs as a result of the pointed out that 94% of the world's workers live in countries affected in some way by Covid-19, and that many had lost their jobs as a result of the pandemic. During July 2020, we saw how about 73% of the workforce in South Africa worked during level three of the lockdown, but the pandemic still affected attendances at schools and universities, many of which have resorted to conducting online learning. It is a huge challenge for both public and private training institutions, but also an opportunity for introducing alternative methods of learning and training. This seems to be the new normal as we are at the tail end of the second wave.

Over seven million people of working age are unemployed in South Africa, and among the youth, unemployment is a massive problem. The Department of Higher Education and Training has made it a priority to identify which occupations need skills the most, and are in high demand, and to link education to the workplace. Work-based learning programmes are being accelerated, and apprentices are beginning to return to the workplace as lockdown levels ease. A (Volume 2) toolkit for quality apprenticeships has been developed by the International Labour Organisation (ILO), which helps to provide concise information about good practice and practical tools.

[1]Lynette Mentor, Executive Transformation, Learning and Skills Development, Barloworld Group, Trainers lost income as classes were cancelled, and many learners have been left in limbo. Students at residences have had to return home and learn from there were possible; some have had to change their sleeping patterns to find quiet times to learn at home. Graduate unemployment is said that South African businesses had been affected on a continuum by the lockdown: some came to a standstill, some cut down operations and others continued as usual. Technical training that involved tools was most adversely affected, and digital training the least. Bandwidth constraints have affected digital training. Businesses have had to comply with health regulations, which impacted on their budget; IT teams were put under immense pressure to keep employees connected. Employers have had to fund data costs for remote learning. Physical distancing affected how classes were delivered; many South Africans find it hard to work at home as conditions are not conducive, and adjustments have had to be made by both employers and employees.

1 Skills Development and the future of learning during and post the COVID-10 pandemic in South Africa

Buti Manamela, Deputy Minister of Higher Education and Training, said the NSA has been fighting the giant of poverty and that Covid-19 has made the battle tougher; the top priority now is to save lives and the academic year. Distance learning solutions have been implemented since the national state of disaster, but this has brought the economic divide to the fore, as many poor students don't have laptops and data. Technical and Vocational Education and Training (TVET) Colleges have taken steps to get lectures online and train lecturers in online and remote presentation skills and blended learning. Groups have also been set up on platforms such as WhatsApp to help students learn together. Online learning will play a bigger role going forward, but universal access is essential: all students must have computers, and data must be available to all. Sector Education Training Authorities (SETAs) must do more. South Africa is resilient and is "bouncing back" from Covid-19, said Manamela, who added that we are "on track" to saving the academic year.

Professor Nirmala Gopal, Member of the University of KwaZulu Council, said the world is transitioning to a digital economy, and so is South Africa, so skillsets and

[1] (Covid-19 impact on education, skills development and training, M&G, Jul 2020)

appropriate infrastructure are essential to boost job creation. We must embrace Fourth Industrial Revolution (4IR) or get left behind, but the challenge is our deficit of skills in South Africa. It is certain that there will be profound and rapid change, and to embrace this, there must be multi-stakeholder alliances between all the role players. Around half of the workforce won't need reskilling, so things are not all "doom and gloom". The higher education sector will play a key role in skills development, in fields like genomics and AI, but it cannot do this in isolation.

2 The effects of the pandemic on businesses in South Africa

Based on many articles published, we see how Covid-19 has had a horrendous negative impact on many businesses in the country. In an article published by IOL, Covid-19 is still a crisis for most businesses, Steyn,2020) we see how the effects of the pandemic have affected businesses of all sizes very differently. "Those that managed to survive the ravages of the national lockdown and various bans and restrictions, today find themselves in diverse positions from which they now need to rebuild their operations. This is no easy fix and many economists feel that it could take years before businesses are out of danger of closing their operations.

"Some businesses are in the relatively fortunate position of having experienced stalled revenues, but still holding a fairly decent amount of cash to survive the crisis and be able to restore operations quickly. Others have barely survived and are now facing the prospect of having to rehire staff and get their operations back up to speed with little or no working capital and piles of debt to contend with.

Irrespective of the extent to which any business has been negatively impacted by Covid-19, the truth is that most currently find themselves in some form of a crisis. The operating environment for South African businesses will take many months and years to return to what it was before Covid-19, if it ever does. Customers are not only poorer now than they were at the start of 2020, they are also very wary of busy public environments. So, shopping, eating and entertainment as we knew it going into this year, are not anything like they will be going into the next. And for the majority of public facing businesses, that spells crisis. So, the question for most business owners now is, how do I effectively manage my business out of this current crisis and, as importantly, ensure that it isn't impacted in the same massive way by any future crises? Of course, there's no simple answer to that question because crisis management is different for every business".

3 Impact on Youth employment, Gender and Skills Development

The socioeconomic repercussions of the pandemic are hitting young people everywhere faster and harder than other age groups. Young Africans are facing multiple shocks, including disruptions to education, training, and on-the-job learning; employment and income losses due to lay-offs and reduced working hours; and greater difficulties in finding good quality jobs. They are also more vulnerable because of high youth working poverty rates, and because they are overrepresented in less protected forms of work and in sectors most at risk of disruption due to Covid-19. Young women are facing an increasing double burden to manage both paid work and unpaid care and household work due to widespread school closures. Other vulnerable and marginalized youth, such as young people with disabilities or young refugees or displaced persons, are facing additional hardships on top of the barriers they face to accessing learning and decent work opportunities.

In an article, 'We need to encourage girl learners to embrace Science, Technology, Engineering and Maths (STEM) subjects, by Wanjira Kamwere, she advocates that, "It's evident by the significant investments into skills development and educational programmes that Microsoft believes in upskilling our youth to have the right skills to succeed in the Fourth Industrial Revolution. But even as we strive to include as many young learners in STEM subjects as possible, our girl learners are lagging.

According to the United Nations Educational, Scientific and Cultural Organisation (UNESCO) report, 'Cracking the Code: Girls' and Women's education in STEM', only 35 per cent of STEM students in higher education globally are women. This gaping gender gap is especially concerning when we consider that STEM careers are referred to as the jobs of the future.

UNESCO also warns that it is important to have diversity represented in STEM. Currently a strong focus is towards men in the STEM fields. She further "notes that a strong gender imbalance exists globally, particularly in sub-Saharan Africa, concerning women's representation in STEM fields. According to the United Nations Institute of Statistics (UIS), less than 30 per cent of the world's researchers are women"

It is found in numerous studies around the world that women in STEM fields publish less, get paid less for their work and do not advance in their careers when compared with their male counterparts. She adds that, "there are many complex reasons why girls and women are so underrepresented in STEM subjects and fields. Conscious and unconscious biases, social norms and cultural expectations frequently influence the type and quality of education girl learners receive and the choices offered to them". By increasing the participation of women in the digital economy, will "transform the economy by increasing women's earnings and financial independence". However, this opportunity will not succeed without the skills needed to drive inclusion in the tech sector. "That's why it is a social, moral and economic necessity to ensure young girls and women in the Africa are given the skills to master technology and increase the number of future-ready professionals".

4 Accelerated Digital transformation as an opportunity

Despite its associated challenges, the crisis also represents an opportunity for transformative change. Young people are Africa's most important source of human capital and driver of development. The success of countries' response to this crisis, the sustainability of their recovery, and the achievement of their long-term development goals will depend on skilled and healthy young people contributing their labour, ideas and expertise.

The pandemic has shown that digital technology is becoming increasingly important to every economy, having the potential to positively impact labour demand, supply and intermediation if properly applied. Even before the crisis an estimated 230 million digital jobs were projected to be created in Africa by 2030, but to fill them would also require some 650 million more training opportunities to be created. Online retailing and the digital trade in services were already on the rise in Africa before the crisis, and European and other markets are also further opening up to digitally provided services. These global and regional developments could result in increased opportunities for young Africans to innovate, engage in e-commerce or work in digital jobs servicing both intra-African and overseas markets.

5 Boosting decent jobs and enhancing Skills for Youth in Africa's Digital Economy

"Now, more than ever, it is crucial to invest in youth employment and digital skills development to accelerate and leverage Africa's digital transformation to effectively respond to the additional challenges posed by Covid-19 and to ensure an

inclusive and sustainable long-term recovery. The ILO and ITU, with the support of the AU, have launched a programme with continental reach to create decent employment and enhance skills for youth in Africa's digital economy", (ITU, ILO & AU, Covid-19, youth employment and skills development in Africa, 2020)

6 The Challenge

Africa has nearly 363 million young people which is projected to double by 2050. We are still faced with growing unemployment, poverty, informal employment and gender inequality which poses a constraint to many young people accessing decent working opportunities.

Amid all of this, we find that digital technologies are transforming societies and labour markets which provides a huge potential to create new jobs in the digital economy. In a skilled workforce, efficient labour market facilitation and an enabling business environment. To tap into the digital opportunity, the country needs appropriately skilled young people. [2]"However, most young people lack the skills that are in demand in the digital economy and do not have access to suitable training opportunities or job matching services, while private sector job creation is insufficient and decent entrepreneurial opportunities are hard to come by".

7 The Opportunity

Youth are the world's most important source of human capital as they hold the key to the future jobs and achieving Agenda 2063 as well as the Sustainable Development Goals. "With enhanced digital skills, access to markets, networks, finance, information, voice and representation, young Africans can both benefit from and contribute to their countries' digital transformation and long-term development".

Under the aegis of the Global Initiative on Decent Jobs for Youth, he International Labour Organization (ILO) and the International Telecommunication Union (ITU), with the support of the African Union (AU), has initiated a programme with continental reach to create decent employment and enhance skills for youth in Africa's digital economy. The programme aims to ensure that Africa's youth are empowered and able to benefit from new opportunities in the digital economy, and in turn, that their energy and creativity can be harnessed by expanding digitally enabled industries"[3].

[2] (ITU, ILO & AU, Covid-19, youth employment and skills development in Africa, 2020)
[3] (ITU, ILO & AU, COVID-19, youth employment and skills development in Africa, 2020)

8 The Programme

The goal of the programme is to increase the number of youth in targeted countries to access decent working opportunities in the digital economy. Furthermore, it aims to "create jobs and strengthen digital skills and improve employment services; establishing partnerships and networks and providing policy advice using new diagnostic tools and data showing what best boosts youth employment. Under the umbrella of the Global Initiative on Decent Jobs for Youth, the programme will operate at continent level to establish between country partnerships and facilitate learning from each participating country's own plans for youth employment and digital skills development"[4].

[4] (ITU, ILO & AU, Covid-19, youth employment and skills development in Africa, 2020)

Western Cape Government
Economic Development and Tourism

PART B

Demand and Supply in South Africa

1 Summary of the Skills Supply and Demand in South Africa (DHET Report in focus)

The South African economy has been characterised by low economic growth rates, leading to poor employment growth. This employment growth has not been sufficient to absorb the large numbers of youth coming onto the labour market for the first time.

A key constraint to sustainable job creation in South Africa is the structural mismatch between labour demand and supply. Under this mismatch the economic growth has favoured high-skilled workers, even though the majority of the employed and the unemployed have low level skills. The South African labour force is made up of 15 million employed and 7.5 million unemployed people. Three quarters of the employed and 90% of the unemployed are from the African population group. Unemployment is also particularly high amongst youth (15 to 34 years) and this is increasing as more young people join the labour force.

The education level and skill base of the labour force is lower than that of many other productive economies. Of the employed population, 20% has a tertiary qualification, 32% has completed secondary education, and close to half of the workforce do not have a grade 12 certificate. Sixty percent of the unemployed has less than a grade 12 certificate. This translates to 11.75 million of the labour force with less than a grade 12 certificate.

The sectors in which people work and the types of jobs available are changing. In contrast to pathways followed by other recently industrialised economies there is an absence of low-wage jobs in the manufacturing sector that could absorb the vast majority of unemployed who are looking for work. There has been a structural shift towards a service economy and a high dependence on high-skilled financial services. The former sector contributes towards growing the country's GDP but offers negligible opportunities for employment growth. The only sector experiencing significant employment growth is the state sector and this is not sustainable.

Access to schools, universities, and TVET colleges has improved. However, quality remains elusive, leading to low progression through programmes in all types of educational institutions, as well as low completion rates from schools, TVET colleges, and universities. A critical constraint on the education and training system

and the labour market is the inadequate quality of basic education. Success in the school subjects of Languages, Mathematics and Science forms the basis for participation and success in technical subjects in post-school education and training institutions, and in the workplace.

Presently, each year around 140 000 grade 12 students complete the matriculation examination with a bachelor's pass, and of these only around 50 000 students pass Mathematics with a score higher than 50%. The pool of students who can potentially access university and Science based TVET programmes is very small, in comparison to the skill demands in the country.

The University and TVET college subsystems are the largest components of the post-school education and training system. In 2014, there were around 1.1 million students in the university sector and 0.8 million students in the TVET sector. Since 2010 the TVET sector has been expanding at an average rate of 23% per annum and the university sector has been expanding at an average rate of 2.1% per annum. Completion rates at both universities and TVET colleges are less than desirable in that in 2014 there were 185 000 completers from the university sector, 21 000 National Certificate Vocational (NCV)4 and 57 000 National Accredited Technical Education Diploma (NATED)6 programme completers from the TVET sector.

In both the university and TVET sectors the share of female enrolments is higher than the male enrolments. However, the qualification differences support gender stereotypes in the literature, in that males are likely to study for the so-called masculine science, technology, and engineering-based subjects, whereas females are focused on so-called feminine subjects, such as Health, Education, and Social Sciences. Skills mismatch denotes the types of imbalances that occur between the types of skills developed and those needed in the world of work. Analysis of imbalances and mismatches provides signals to inform a skills policy response. In South African context, we can categories mismatches into three main types: demand mismatch, educational supply mismatch and qualifications job mismatch. – Demand mismatch examines the shape and trajectory being followed by the economy, the types of jobs being created, and the skills set and expectations of the working-age population.

A structural mismatch between labour demand and supply is the most significant type in the South African context, in that the economy and labour market show

a demand for high-skilled workers, but there is a surplus of low-skilled workers. – Educational supply mismatch examines the type of skills produced by different levels of education and training systems, and the degree to which they respond to skills demand in specific occupations.

The analysis of the education supply mismatch currently experienced highlights the need to enrol and graduate higher numbers of STEM graduates from both universities and TVET colleges. Further, there is a need for higher enrolments and completions rates in the building and construction, metal machinery and related trades programmes.

2 Qualification-job mismatch is comprised of two dimensions

Firstly, the qualification gap which examines the match between the type of qualifications required by workers in medium and higher-level occupations to perform their job effectively, and the actual type of qualifications held by those in such occupations. Secondly, it traces the sectors and occupations that the educational qualifications are absorbed into. This analysis revealed that there is a qualification gap in that less than half of managers, senior officials, technicians and associate professionals had a tertiary level qualification.

Regarding the educational qualification-job mismatches, the evidence showed that higher education graduates tend to be employed in high skilled occupations as managers, professionals, and technicians, and associate professionals. In contrast, only a minority of those with TVET qualifications worked as technicians and associate professionals. Significantly, the data also revealed that nearly half of the higher education graduates are employed in the community, social and personal services sector. Finally, a high proportion of the Science, Technology and Engineering graduates, from both higher and technical vocational education sectors, prefer to work in the financial services sector, as opposed to the manufacturing sector.

3 Technical report summary of Critical Skills List (LMIRP)

Due to globalization, climate change and digital transformation, it is vital that skills must evolve more rapidly in this ever-changing world we find ourselves in today. With rapid economic shifts, we often create skill shortages and mismatches within labour markets.

Although the misalignment between supply and demand for occupations is inevitable to some degree, persisting labour market imbalances may further lead to delays in the adoption of new technologies and act as a hindrance to productive activity.

[5]Some skills mismatches can be solved by, inter alia:

- Creating, updating, or changing qualifications offered at TVET Institutions or Universities;
- Honing enrolment planning processes; or
- Providing scholarships/bursaries/learnerships for potential students.

Although there are many medium- and long-term solutions, short-term interventions are often required to set the tone for what we require in the near future. Due to skills shortages, providing immigration preference to appropriately skilled foreign nationals are one such intervention.

The Critical Skills List (CSL) formalizes the process. This report presents the preliminary list which is intended to go through a finalization process led by the Department of Home Affairs. A criteria-based filtering approach was employed to identify occupations appropriate for the CSL. Through this approach, occupations were identified that were in acute shortage or strategically important to the South African economy. They also required high-level skills or advanced qualifications and would require a long lead-time to develop a domestic supply chain. Once identified, the list was validated through interviews and workshops with various public and private sector representatives and stakeholders.

4 Technical report summary of the Occupations in High Demand (LMIRP)

Recently, Minister Blade Nzimande released the list of Occupations in High Demand. The list of OIHD is one piece of evidence (of many) that informs planning for the Post School Education and Training sector (PSET) system for skilled people entering the job market. The list assists in developing new qualifications for occupations that are shown to be in high demand, while also signalling whether existing qualifications require updating based on the market's demand for labour;

[5] (Barnow, Trutko, & Lerman, 1998)

The Department of Higher Education and Training identifies occupations that will best suit the National Development Plan (NDP), the New Growth Path (NGP), and the Industrial Policy Action Plan (IPAP).

This helps the department identify ways to make the tertiary education system and post-school education more responsive to the needs of the economy.
[6]"The primary purpose of the list of OIHD is to inform planning in the PSET sector by:

- Signaling the need for the development of new qualifications;
- Acting as a signpost for enrolment planning; and
- Informing career guidance for learners and work-seekers."

An occupation is considered to be in high demand if it is innovative, it has shown signs of employment growth and the demand for the occupation is higher than the supply of skilled individuals entering the market.

"It is through providing a clear understanding of the demand for skills and occupations that are not being met in South Africa that the list of OIHD acts as an integral component for holistically understanding South African labour market dynamics."

The list of occupations in high demand is updated every 2 years with occupations that cater to people with intermediate to high skill levels.

The 2020 list contains 345 occupations that are crucial for the National Recovery Plan. This years' list includes high demand skills and occupations like:

- Digital economy
- Energy
- Infrastructure development
- Data scientists
- Web developers
- Electrical engineers
- Tool makers
- Crop produce analysts
- Agricultural scientists

[6] Reddy, Rogan, Mncwango, & Chabane, 2018)

Below is a link to the Government Gazette Vol 665 of 26 Nov 2020 and the list of OIHD 2020.[7]

5 Critical Skills List

The CSL is the main tool used to inform the recruitment of critically skilled foreign nationals where the South African labour market is unable to create such skills in the short-term. Acts as a signpost for enrolment planning (assists in the process that streamlines inefficiencies within the PSET system by outlining methods needed to produce higher quality graduates and best leverage the PSET system); and informs career guidance for learners and work-seekers. Below is the link[8] to the CSL.

Our critical skills list South Africa is useful for both local and international workers interested in filling on-demand positions. The highly demanded jobs in South Africa 2021 based on the critical skills list South Africa 2021 as detailed below;

I. Information technology and communication

- Information technology and telecommunications directors
- IT specialist managers
- IT project and programme managers
- IT business analysts, architects and systems designers
- Web design and development professionals
- Programmers and software development professionals
- All other ICT professionals not elsewhere classified

II. Engineering

- Civil Engineers
- Structural Engineers
- Site Engineers
- Electrical Engineers
- Mechanical Engineers
- Electronics Engineers
- Design and Development Engineers
- Production and process engineers

[7] https://lmi-research.org.za/publication/government-gazette-oihd-2020/#
The 2020 List of Occupations in High Demand- A Technical Report.pdf

[8] https://businesstech.co.za/news/government/469194/here-is-the-list-of-critical-skills-needed-in-south-africa/

- Façade Designer
- Material Scientists
- Setting Out Engineer

III. Health professionals and related clinical sciences Medical Practitioners

- Industrial Pharmacists
- Radiation Therapists
- Radiographers
- Gastro-Intestinal Technologists
- Vascular technologists
- Physiologists
- Audiologists
- Perfusionists
- Senior health services and public health managers
- Registered Nurses
- Clinical Nurse Specialists
- Clinical Nurse Managers
- Advanced Nursing Practitioners
- Registered Midwives
- Clinical Midwife Specialists
- Clinical Midwife Managers
- Advanced Midwife Practitioners
- Orthoptists
- Prosthetists
- Orthotists
- PHECC Registered Paramedics
- PHECC Registered Advanced Paramedic Practitioners

IV. Architect, Town Planners, and Surveyors

- Architect
- Quantity Surveyors
- Architectural Technologist
- Construction Project Managers

V. Business, management, and economics

- Chartered and certified accountants
- Taxation experts

- Qualified accountants
- Tax consultants
- Business and financial project management professionals
- Actuaries
- Statisticians
- Economists

VI. Natural and Social Science Professionals

- Chemical scientists
- Medical laboratory scientists
- Biological scientists
- Biochemists
- Physical scientists

VII. Quality and Regulatory Professionals

- Quality control and planning engineers
- Quality assurance and regulatory professionals
- Environmental health professionals

VIII. Media Professionals

- Art Director in 2D or 3D animation

IX. Artistic, literary and media occupation

- Animation Background and Design Artist in 2D or 3D animation

X. Design Occupations

- Location Designer in 2D or 3D animation
- Character Designer in 2D or 3D animation
- Prop Designer in 2D or 3D animation
- Animation Layout Artist in 2D or 3D animation

XI. Sales, marketing and related associate professionals

- Business sales executives

XII. Sports and fitness

- High-performance coaches

Both scarce and critical skills in South Africa are equally demanding for highly experienced people. It is, therefore, crucial for HR professionals, recruitment agencies and other professional bodies to consider the list of scarce skills in South Africa when implementing demand-led interventions. It is even more important for young aspiring students and career guidance professionals and work seekers to consider the list when choosing a career to make sure that they increase their career prospects in this competitive and highly dynamic labour market.

6 List of Priority Occupations

The LPO is one piece of evidence (of many) that informs the PSP of the national government. This PSP is intended to detail the nature, extent, and timing of interventions required by the PSET system to ensure the supply of labour market participants with the ability to be absorbed into priority occupations (i.e., those seen as key for government and its development strategies). Below is the link[9] to the LPO.

7 Employer Engagement – Demand Survey (3rd Quarter 2020/2021)

During the 3rd quarter of 2020/21, DEDAT conducted employer engagements with firms in a variety of sectors ranging from Information Communication Technology, Tourism, Manufacturing, Services, Whole-sale & Retail, private training providers, etc. The companies ranged from small and large firms which is further demonstrated in figure 1 below . The survey was conducted at the height of the Covid-19 second wave during November and December 2020 and many businesses personnel were still working from home. Many managers were unable to conduct telephonic discussion and opted to access the on-line survey link that was provided to them via email. Many, however, did not complete the survey. For the purpose of this survey, I will focus on issues that relates to demand and supply, which is the theme for this quarterly Skills Intelligent Report (SIR).

[9] https://www.dhet.gov.za/SiteAssets/Latest%20News/November%202020/The%202020%20List%20of%20Occupations%20in%20High%20Demand-%20A%20Technical%20Report.pdf

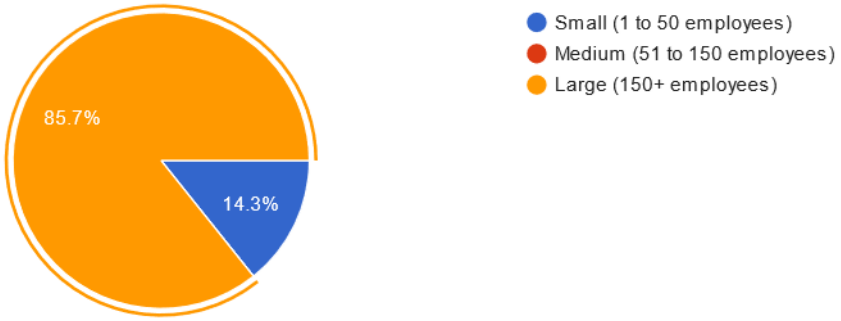

Figure 1: Relevant size of Organisation

Of the firms that responded, 100% indicated that they did not have to retrench any staff during the lockdown period and were able to conduct business by changing the operational requirements. Many employees were able to work from home and thus continue productivity and keep the business afloat. Below in figure 2, the pie chart shows the percentage of staff still working from home and in the work place. Of the respondents, 43% indicated that less than 50% of employees were working from home, while 29% indicated that more than 50% of employees were working from home. 29% indicated that 100% of staff were working in the office or on site.

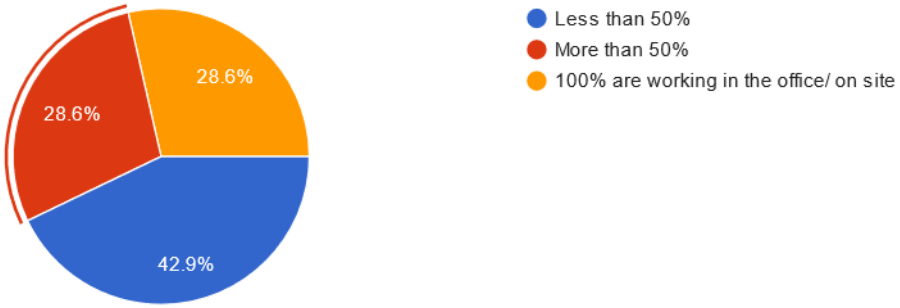

Figure 2: Employees are still working from home after the end of lockdown?

In figure 3 below, 57% of respondents said that will not be changing the skills requirements when employing new staff after the pandemic, while 43% said they will change the skills requirements when employing new staff who exit the business after the pandemic. The pandemic has raised certain health protocols in businesses and changes to the way they conduct business has now become of paramount importance.

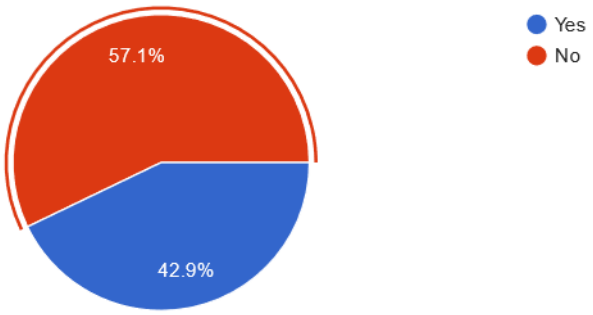

Figure 3: Changing skills requirements when employing new staff and/or plan to introduce new skills training to existing staff after COVID-19

The following are a list of new skills requirements companies said that they will be implementing during and post the pandemic:

- Online training processes. Digital marketing
- Computer Literacy and Self-Management
- Business Writing and Advanced Computer Skills , also more sales and customer service skills
- Digital Acumen; Leadership
- Increase safety training requirements
- Financial management
- Upskilling, Welding, core business skills

The following responses were provided to the following questions: Does your organization plan to prioritize Skills Development after Covid-19?

Of all the responses, 71% indicated that they will prioritize skills development after the pandemic, while 29% said that they would not. The reason why companies opted not to prioritize skills development, is that the pandemic did not have an effect on the business's operational processes and they were able to operate as they did prior to the pandemic.

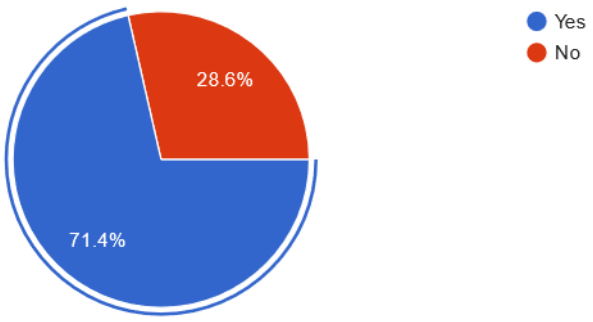

Figure 4: Prioritising Skills Development after COVID-19

What skills development priorities are planned after Covid-19?

Below are responses from companies who planned the following skills development priorities after Covid-19?

- Sector specific skills; e.g. Retail
- Directorship training with the Institute of Directors for both directors, social enterprise leadership program for one director, online Learner Management System training and content development, digital marketing., business coaching for both directors.
- Management
- One respondent emphasized the following, "Covid-19 had made us realize as an organisation even more than before how important it is to upskill our staff on all areas from sales and customer service to computer literacy and self-mastery, Advance English Grammar"
- Digital Acumen; Leadership
- Core business activities/skills

Does your organisation have occupations that were Hard-To-Fill over the past 12 months?

In figure 5 below, we find responses from companies who indicated whether they had occupations that were hard to fill during Covid-19. Of those that responded, 86% said that they had occupations that were hard to fill, while only 14% indicated that they did not have. Below follows a list of occupations that were hard to fill as listed by the companies that participated in the survey.

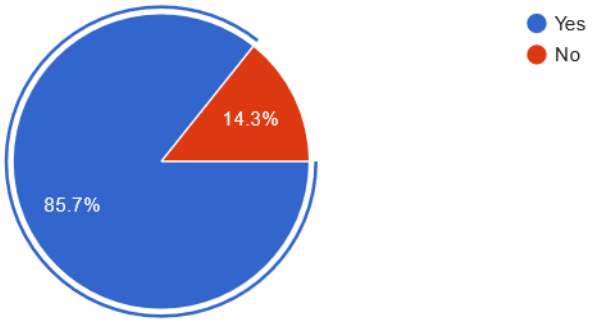

Figure 5: Percentage of respondents regarding Hard or Fill Occupations

If yes, which occupations were Hard to Fill Vacancies?

- Analytical Chemistry and IT
- Temporary and fixed term appointments. Senior client management or vendor management roles with equity candidates;

- Digital and social media marketing, CRM management, proposal writing, lack of work readiness skills for intern placements;
- NON-Complacent Qualified Journeymen ;
- We need CV Writers(People with good grasp on the English language and vocabulary) and Insurance Sales Staff;
- Blockman and people with skills in meat working;
- Admin, operational support, training managers;
- Welders.

The following responses to the possible reasons for these Hard to Fill Vacancies?

- We require qualified staff and will provide the experience but is not getting funding from SETA to do this;
- Adequate tenure and evidence of experience and competence in roles;
- Lack of preparation for the world of work, a critical lack of basic soft skills needed in the workplace;
- Many qualified staff trying to start home-based businesses;
- There is a very small market or pool of people with great English writing and communication backgrounds. Also, many of the insurance sales staff that applies requires RE5 and other competencies which they may not have which means we are unable to place them;
- Not enough training places for people to learn skills; and
- Coding, teaching safety skills, self-awareness.

Responses below to the following, "What are the 3 occupations that will be in high demand in the next 12 months?"

- Technical positions;
- Retail customer experience, Team Leaders, project managers;
- Business coaching, online training facilitation, social entrepreneurs;
- Any trade related, Care givers and security personnel;
- Insurance sales staff , CV writers and general sales staff;
- Data science; business development; Innovation management; and
- Blockman, deboners and slaughters for the butcher trade.

What are skills required for your entry level positions?

- Matric as a minimum;
- English language fluency, comprehension, resilience, computer proficiency, maths literacy;

- Work readiness skills, digital sales and marketing, business management skills;
- Matric and has to be fit and proper for Insurance Sales for CV Writers some background in writing is crucial;
- English language literacy; Numeracy; Digital Literacy; and
- knife skills.

How has Covid-19 affected the kinds of skills your organisation will need in the future?

- In a positive way;
- We need to access people who can work on short term contracts to satisfy surges in demand, and we need skills of self-management for work @ home without close leadership;
- Positive and negative;
- We find learners are more drawn to Call Centres and the general consensus is they would like to start off with earning R10 000 plus;
- Both positive and negative because we need staff that can work independently and to do so they need to be skilled;
- It hasn't had any effect; and
- The young people in the country don't want to work and learn.

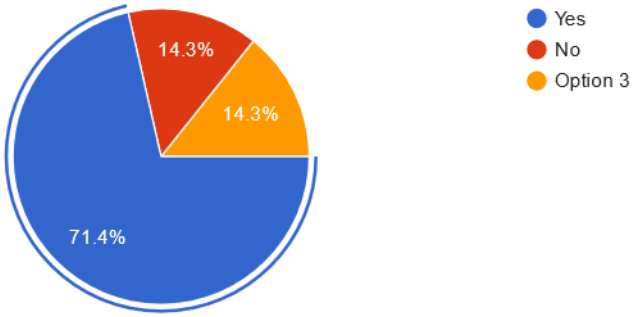

Figure 6: Emerging top-up skills

If yes, kindly list the new and emerging top-up skills?

- How to work effectively from home?
- Directorship training, coaching;
- Electronic and Programming related skills;
- Leadership skills and facilitation skills as we fill these positions within our organisation and these are critical skills for them to have;
- Digital Acumen, Innovation Management; i.e. tech development; business intelligence.

What are the top 3 priority education and training interventions that you think are necessary in order for your company/organisation to respond to skills needs?

- Supervisory skills, time management;
- English comprehension, customer 'soft skills', specific sector training to add new vocabulary;
- Coaching and mentorship formal qualifications, directorship training, social entrepreneurship qualification;
- Online training, life skills training, more interactive training with other workshops and trades;
- Advance English and Grammar - Sales & Customer Service Skills;
- Data Science; Business Analysis; Industrial Engineering; Economic & Commercial Acumen; and
- Young kids need to be trained in a proper skill to work at school level, need to know how to work with their hands and not only their minds

How many vacancies does the organization currently have?

The respondents from 7 sectors indicated that a total of 1058 vacancies were available across these companies.

8 Demand Data in Q2-Q3 for 2020 as per the vacancy reports by Media24

The demand data analysed for the purpose of this report are the data received from jobs advertised in the vacancy reports which DEDAT received from Media24 during the second and third quarters of 2020/21. The data highlights the current positions' employers are looking to fill, as well as identifying shifts in hiring patterns in view of changing the demand of the economy, especially during Covid-19. The analysis covers demand for labour and types of employees needed for these job vacancies and skill and education requirements at different occupation levels.

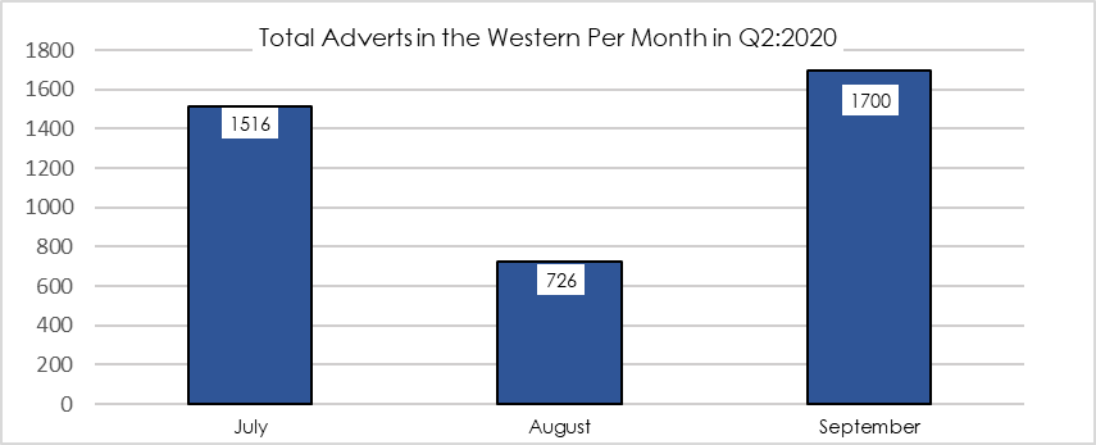

Figure 7: Total Job Adverts in 2nd Quarter of 2020/2021

The above graph depicts the number of adverts placed in Q2 of 2020/21. The month of August 2020 accounts for the lowest adverts placed, followed by July 2020. This could be due to the peak of the first coronavirus wave that hit South Africa during the early part of 2020. It should be mentioned that demand for labour has declined since the advent of the pandemic which affected many industries and thus had an immediate effect of the demand for labour in South Africa as well as across global markets.

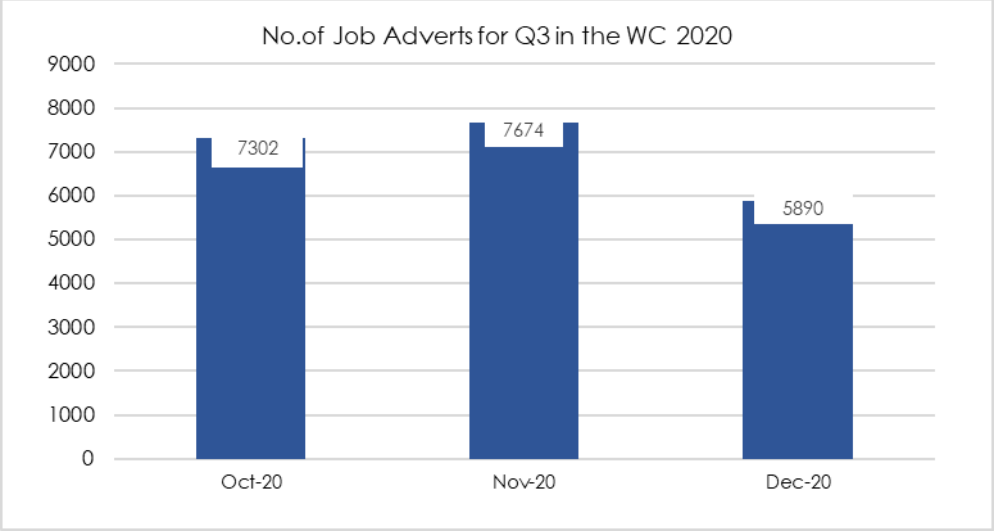

Figure 8: Total Job Adverts for Q3 of 2020/2021

Furthermore, the above graph in figure 12 reflects the number of adverts placed in the 3rd quarter of 2020/21, with November 20 showing the highest numbers, followed by October 2020. The is a sudden decline in December 2020, which is typical for the end of the year and festive season. The sudden decline could also be as a result of the second wave which started in December 2020.

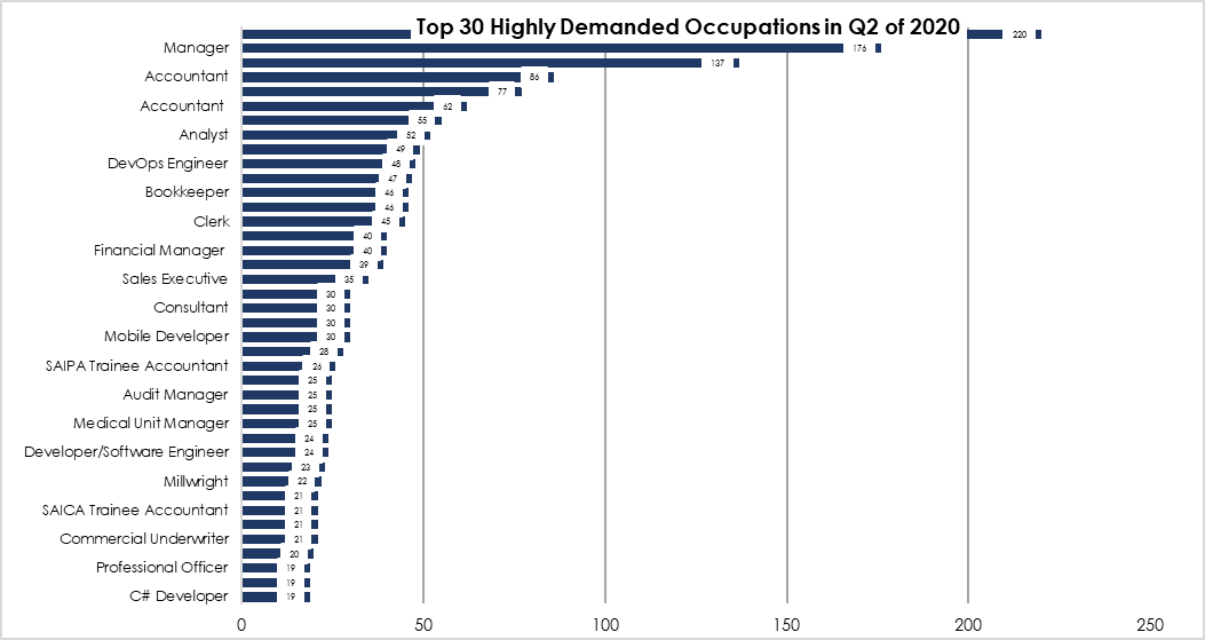

Figure 9: Top 20 Demanded Jobs in the Western Cape for Q2 based on Media24 employment data

The above data shows that the most demanded jobs in the Western Cape is the following: manager, accountants, analyst, DevOps engineer, bookkeepers, clerks and the rest accordingly. The challenge with the above data is that the demand in managers cannot be attributed to whether these are manager in the banking and finance industry or in the whole sale and manufacturing industry. It can be concluded that in other jobs like the DevOps engineer and analyst which sector they fall under. Therefore, the is a demand for professionals in the above stated occupations. The levels of expertise differ across the various occupations. For instance, an entry level accountant is not afforded the same demand with comparison to an accountant with 5 years' experience.

The demand in the above stated positions changed for Q3. The graph below speaks to the jobs demanded for Q3 in 2020. With the increase in the need to labour in Q3 the labour market saw a shift and a high demand for financial advisors, managers, administrators, financial managers and engineers and the rest follows accordingly. The jobs in high demand reflect higher level positions that require one to be an expert or a professional in the field.

Below are the top 15 jobs that are highly demanded in the Western Cape. There were some challenges in respect of the quality of the data, in that The employers do not have to fill in the location of the post and where the candidate will be placed for employment, rather, the employers write the locations they want the adverts to be accessed.

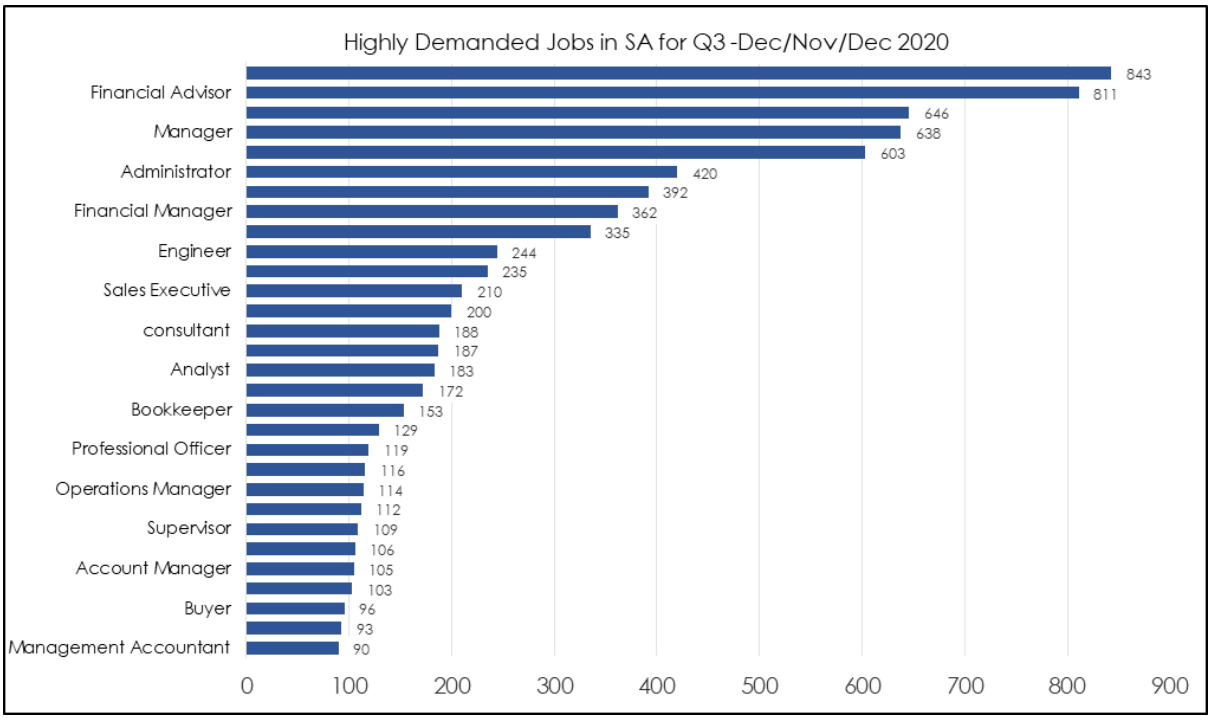

Figure 10: Top 15 highly Demanded Occupations for Q3 in the WC 2020 based on Media24 employment data for October-December 2020

We were therefore unable to conclude which suburb in the Western Cape has the highest demand for professionals. For Quarter 3 the labour market saw a high demand for professionals who are skilled in occupations such as accountants, consultants and managers. The demand for entry level jobs and qualifications with regards to the Media24 data is low and not ascertained by employers when posting an advert for a post.

It is therefore important to look at the employment date with the qualifications that employers require when posting an advert. The graph below shows the number of qualifications that were required by employers when posting adverts for the above shown occupations.

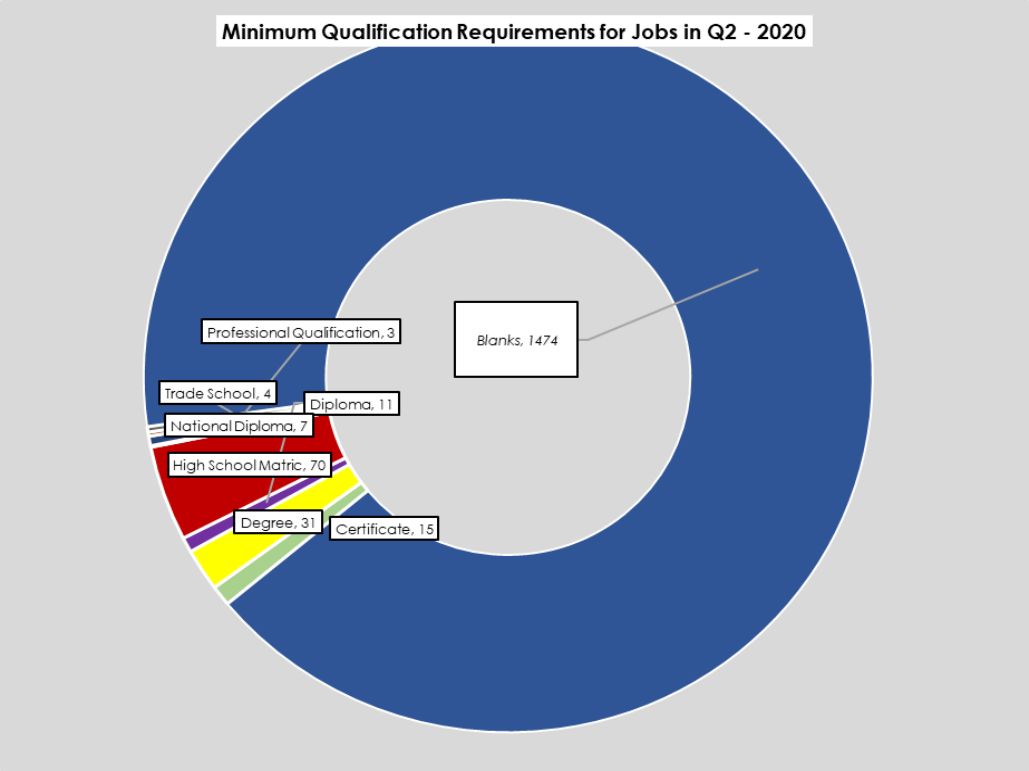

Figure 11: Required minimum qualifications for Jobs in Q2 of 2020, based on Media24 data

In figure 12 below, we find the salaries listed from lowest to highest of the jobs advertised in quarter 3 of 2020/21. The highest paid salaries are for .NET Developers, followed by Financial Managers, Mid, Senior Analysts, Metallurgists, DevOps Engineers, Accountants, Business Developing Managers, Logistical Specialists, Audit Managers, Technical Leads, Financial Marketing Specialists, and Python Developers. The higher the level of these occupations, the higher the salaly.

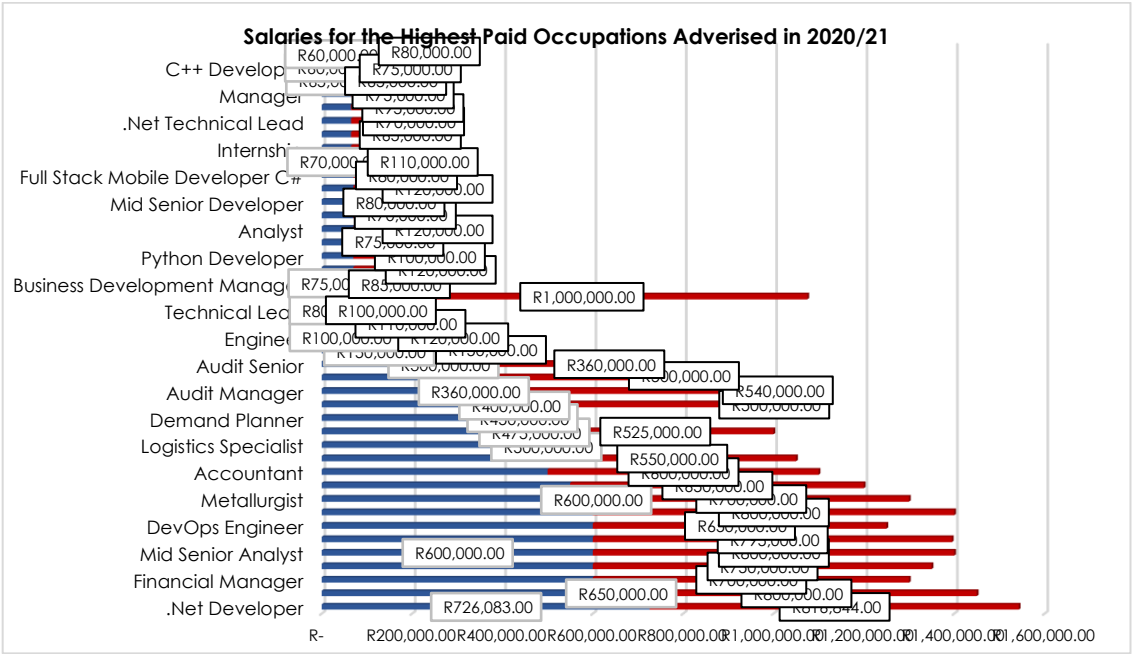

Figure 12: Top 30 highest paying Occupations in the WC for 2020 (per month) based on Media24 data

In figure 13, we find the lowest paid salaries for occupations advertised in Quarter 3 of 2020/21. These ranges from learnerships to sales personnel and reservation managers.

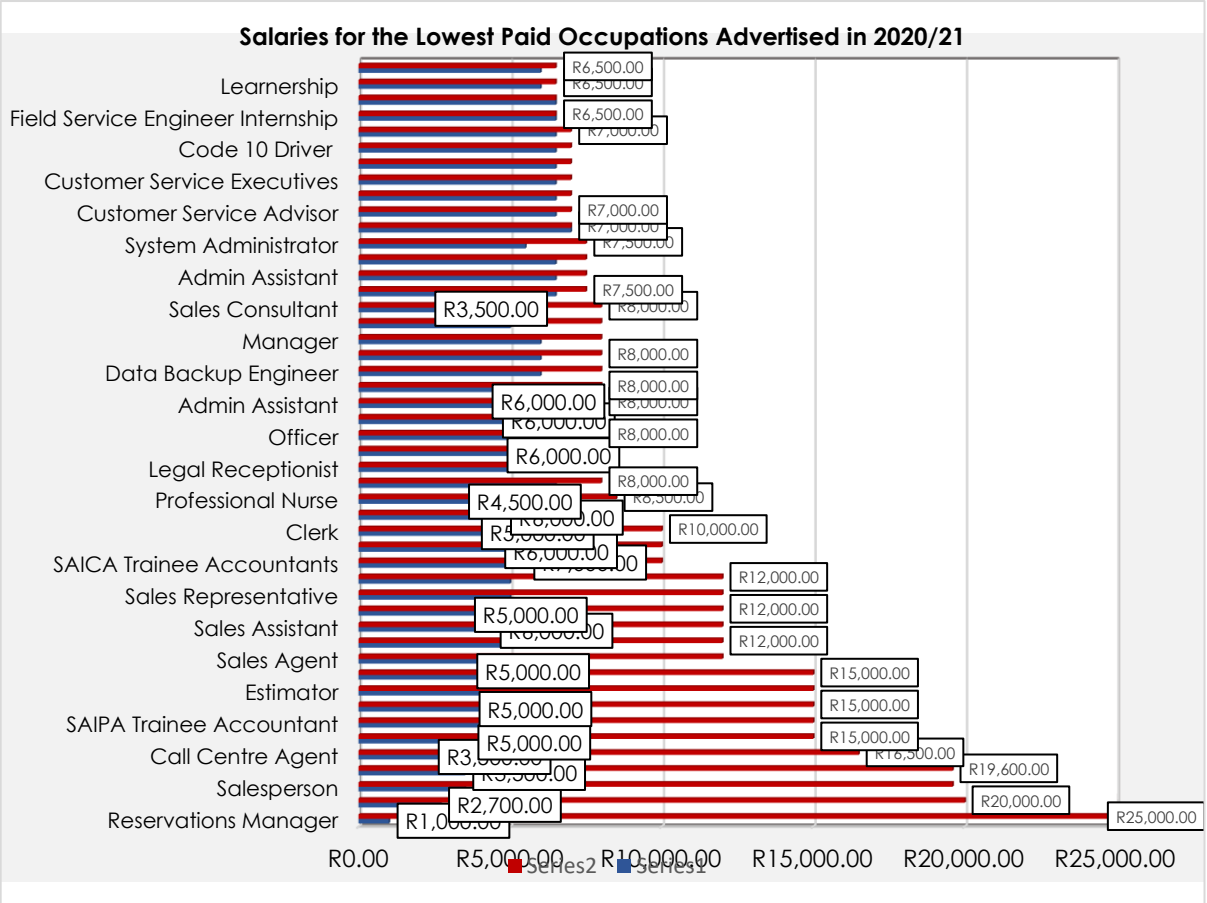

Figure 13: Lowest paid Occupations in the WC for 2020

Trends of the job market over the last 24 months Mar 2019 to Feb 2021

Job stock in general has dropped by 27%, with the hardest hit categories unsurprisingly being:

- Hospitality & Catering down by 54%
- Leisure, tourism and beauty down by 53%
- Human resources down by 32%

The most resilient categories have been those who either have had to respond to the Covid-19 pandemic directly or indirectly through changes in consumer behaviour:

- Health up 1%
- Science and Research down 7%
- Logistics & Distribution down 15%

Moreover, the percentage of vacancies advertised online as a percentage of all available job stock has dropped by 6% from 42% to 36%. This indicative that companies are less likely to advertise vacancies than pre-Covid-19, and as a knock-on effect, are less likely to use agencies to source human resources to fill vacant post. This could be due to uncertainty in the market and whether companies will survive the short, medium- and long-term effects of the pandemic. Categories with the largest shift away have been finance, construction and customer service.

Analysis and correlation between Skills Supply and Demand (Media24 and DHET data of quarter 3 of 2020/21)

Based on SETA data, the top occupations that have emerged as priority in Q2 and Q3 of 2020/21 are those that have been used in the Covid-19 marketing campaigns to bring awareness to employers and citizens about social distancing, wearing of masks, etc. These occupations are crucial in the short to medium term and may become useful in the future. This will be a deciding factor, depending on further outbreak of more COVID waves Globally and in South Africa. The following top 15 non-Covid-19 related occupations were placed by SETAs.

No.	Supply of skills in the WC during Q3	National list of OIHD (15) - Scarce & Critical list
1	Production Technology	Information technology and communication
2	Sales (Business start-up)	Engineering
3	Machinist	Health professionals and related clinical sciences Medical Practitioners
4	Business Practice, Operations (Chain stores, Small Business, Small Informal)	Architect, Town Planners, and Surveyors
5	Machine Operator (Production)	Business, management, and economics
6	Plant Production	Natural and Social Science Professionals

7	Health and Safety	Quality and Regulatory Professionals
8	ICT Skills	Media Professionals
9	Packaging (Food & beverage)	Artistic, literary and media occupation
10	Driving (Professional)	Design Occupations
11	Supervisor	Sales, marketing and related associate professionals
12	Building	Sports and fitness
13	Teaching Professional	
14	Merchandiser	
15	Management	

Table 1: Supply of Skills in the SETAs in Western Cape

When viewing table 1, it is clear that there are some occupations that correlate with the OIHD/scarce and critical skills as published by DHET. Of the 15 occupations published by DHET, the Western Cape identifies with eight of the OIHD (53%). Based on the evidence regarding the demand and supply in the Western Cape. The gaps exist purely in the priority of those skills that are needed and should be addressed with the relevant SETAs to ensure that there is no mismatch in the demand and supply of skills in the Western Cape.

The top vacancies advertised during quarter 3 of 2020/21 vs OIHD (scarce & critical) as published by DHET:

No.	WC Jobs in demand Q3	National list of OIHD (15) - Scare & Critical list
1	Financial Advisors	Information technology and communication
2	Managers	Engineering
3	Administrators	Health professionals and related clinical sciences Medical Practitioners
4	Financial Managers	Architect, Town Planners, and Surveyors
5	Engineering	Business, management, and economics

6	Sales executive	Natural and Social Science Professionals
7	Consultants	Quality and Regulatory Professionals
8	Analysts	Media Professionals
9	Bookkeepers	Artistic, literary and media occupation
10	Professional Officers	Design Occupations
11	Operations Managers	Sales, marketing and related associate professionals
12	Supervisors	Sports and fitness
13	Accounting Managers	
14	Buyers	
15	Management Accountants	

Table 2: Demand in the Western Cape as per jobs advertised during quarter 3 of 2020/2021

Based on the jobs that are in demand in the Western Cape during quarter 3 of 2020/21, it is fascinating to see how similar it is compared with the OIHD and Scarce and Critical Skills list, which have been published by DHET at the beginning of 2021. Most jobs in the top 15 advertised are identical to the OIHD, which clearly indicates that there is a strong correlation between the national scarce list and that which emerged from the demand in the Western Cape.

Western Cape Government
Economic Development and Tourism

PART C

Academic Supply within the Western Cape

1 Learners placed per SETA for 2020 Q1-Q3

The graph below shows the total number of learners placed at the various SETA's in the Western Cape province during quarte 1 to quarter 3 of 2020/21. The Fibre Processing & Manufacturing (FP&M) SETA placed the highest number of learners with a placement total of 2232. Followed by Wholesale & Retail (W&R) SETA which placed 2125 learners. The Manufacturing, Engineering and Related Services SETA (MERSETA) placed 1774 learners from Q1-Q3.

The placements were for various qualifications across the different institutions of higher learning. From the data provided below it can be concluded that the first five SETA's had the most placements in the Western Cape. The FP&M SETA consist of 13 sub-sectors namely the clothing, footwear, forestry, furniture, general goods, leather, packaging, printing, print media, publishing, pulp and paper, textiles and wood products sectors. Although classified individually, the sub-sectors are closely integrated. Together they create tremendous value in the lives of consumers, by converting lumber, pulp, natural or synthetic fibres, animal skins/hides into finished products such as furniture, clothing, shoes, protective equipment, paper and paper board, printing (books, magazines, etc), industrial fabrics and extending into high-tech applications in many different industries (automotive, health and building construction to name a few). If you think about it, you can't go through a day without using one or more of the products manufactured in the fibre processing and manufacturing sector.

The manufacturing production decreased by 3,5% in November 2020 compared with November 2019. The largest contributions were made by the following divisions:

- petroleum, chemical products, rubber and plastic products (-9,6% and contributing 2,1 percentage points);
- food and beverages (-2,9% and contributing -0,9 of a percentage point); and
- basic iron and steel, non-ferrous metal products, metal products and machinery (-3,9% and contributing -0,7 of a percentage point)

Seasonally adjusted manufacturing production decreased by 1,3% in November 2020 compared with October 2020. This followed month-on-month changes of 3,2% in October 2020 and 2,8% in September 2020

According to the South African marketing Insights the division with the highest proportion of employment compared with its proportion of income was 'textiles, clothing, leather and footwear' (7,2% of employment and 2,3% of income), followed by 'glass and other non-metallic mineral products' (contributing 5,9% of employment and 3,2% of income), and 'electrical machinery and apparatus' (4,0% of employment and 2,3% of income).

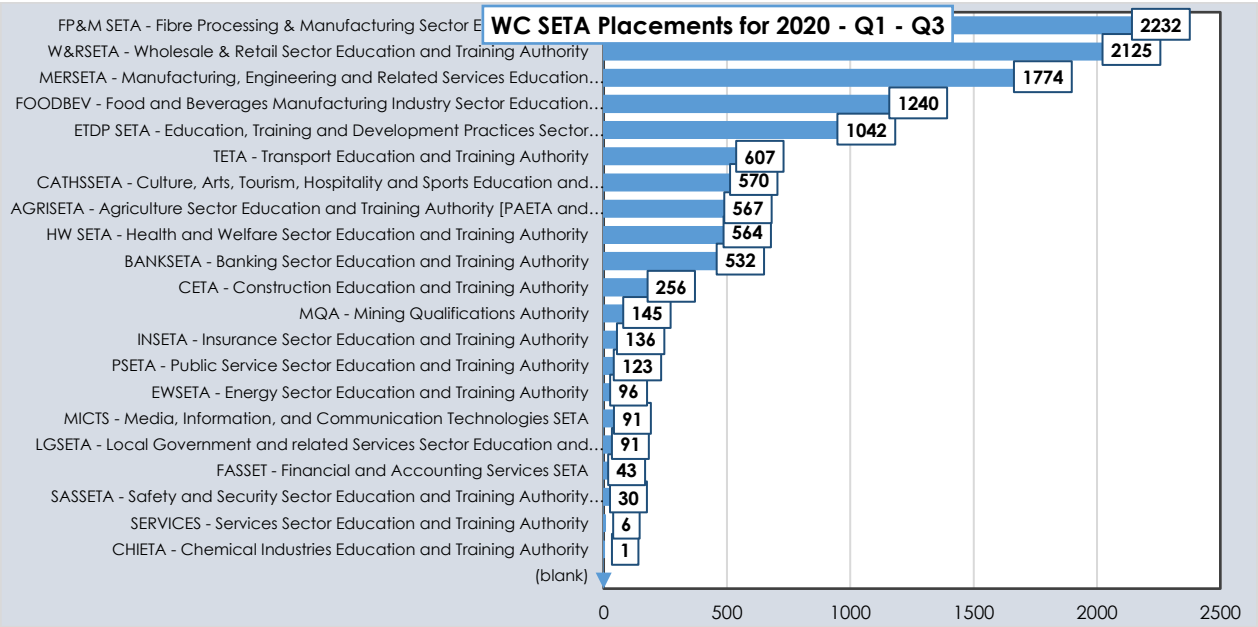

Figure 14: Total Number of Learners Placed Per SETA for 2020 Q1-Q3

2 SETA Placements (Employment in the Manufacturing Sector – The Clothing Industry under the spotlight)

As the graphic below shows employment in the clothing and textiles industry in South Africa has been in steady decline since the early part of 2009, and the long-term trend is a continued decline in the number of employees formally employed in this sector in South Africa. On average, 577 people lose their job in the clothing and textiles industry in South Africa every quarter. So that computes to 192 people losing their jobs in the clothing and textiles industry every month in South Africa. So why has manufacturing been declining in importance in South Africa's economy

over recent years? According to the South African Market Insights (2021), lack of skills and know how (partly due to the "brain drain " where skilled people have left South Africa for greener pastures) and lack of investment in developing skills and know how.

As for employment in the industry. With the advent of the machine age and machine learning, automated machinery is being used more and more, replacing humans. Part of the appeal is the fact that machines can work 24/7, do not take sick leave or annual leave and do not have the labour related issues humans do, machines do not make errors associated with humans due to fatigue or negligence. The section below will take a look at the various sectors within the manufacturing industry and their contribution to South Africa's total manufacturing industry.[10]

The drop-in garment prices over the last 20 years has allowed us to buy more and more clothes. We now have 5 times more clothes than our grandparents had. It felt great until we found out what was hiding behind this trend. In reality, this continuous accumulation of cheap garments is only possible because of a constant reduction of production costs. This, in turn, has serious consequences on our health, our planet, and on garment workers' lives. "If clothing volumes are plateauing in developed countries, the only way the apparel markets there can grow is if clothing prices go up," according to a report by Morgan Stanley. "But (potential US tariff impacts aside) we think it more likely that they will continue to fall ... as production continues to shift from China to lower-cost countries in the region (such as Vietnam and Bangladesh)," the report said.

[10] The *Figure 9: Number of Employees in the textile industry in South Africa According to (Statistics South Africa's Quarterly employment survey)*

South African market Insights (2021) Available at: https://www.southafricanmi.com/south-africas-manufacturing-industry.html

Figure 15: Number of formal sector employees in the Clothing and Textiles Industry in South Africa

3 Manufacturing as the 4th Largest Industry in SA

Manufacturing is the country's fourth largest industry, contributing 14% to the Gross Domestic Product (GDP). The food and beverages division are the most important player in the industry, contributing 25% to total manufacturing activity. The graphic below is obtained from Statistics South Africa, provides an overview of the biggest categories within the South African manufacturing industry.

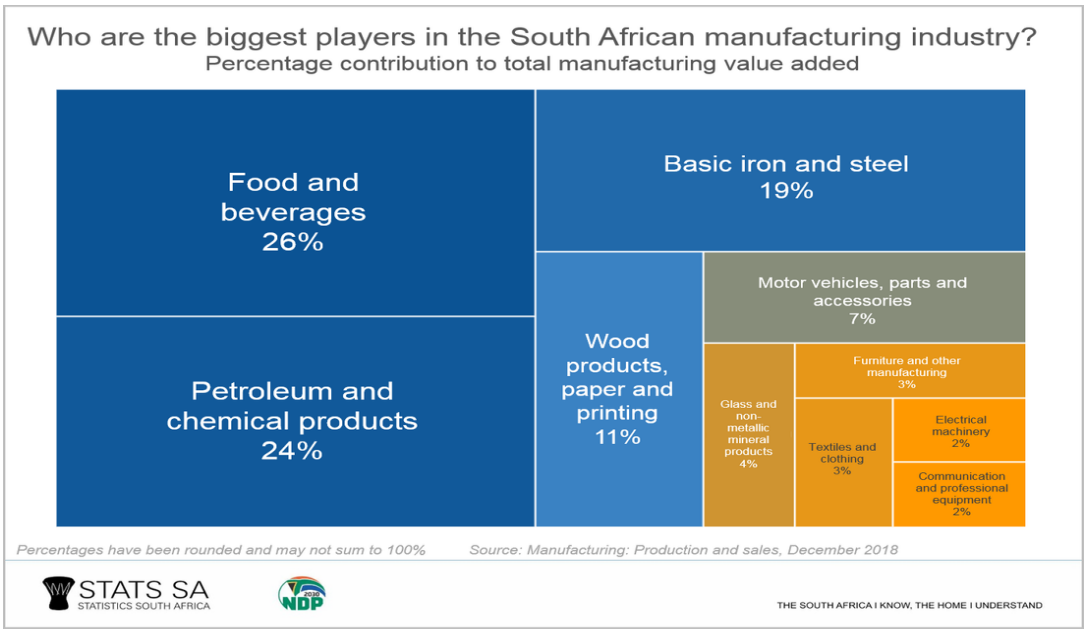

Figure 16: The Biggest players in Manufacturing Industry in SA based on (Stats SA Data 2018)

From the above it can be concluded that the Manufacturing industry will require individuals that are experienced in machine learning in the manufacturing

process and not in hand skills for production. As the above graphics show the decline experienced in the industry. The placements by the first five SETA's in the manufacturing sector is justifiable, not the question of placements lies on the type of skills the learners are provided by the SETA's in the Placements. The following discussion elaborates on the skills and qualifications mostly produced by the SETA's for 2020.

4 Qualification and Occupation Placements by SETAs

From the graph depicted below it can be drawn that the SETA's and university placements combined placed the most (215) learners for covid-19 new roles titled, "National Institute of Occupational Health (NIOH) Responsibilities of employers during the pandemic". Following that number 197 learners were also employed for Covid-19 related qualification titled – "what to do when an employee tests positive". The two above mentioned qualifications were acquired from Q1 to Q3 of 2020. Following after the Covid-19 jobs, there is a high supply of 175 qualifications for National Certificate in (CTFL) Manufacturing Processes: Machinist and Garment Processor.

The SETA's also placed 169 learners on a Small Business Manager qualification. There are 140 learners placed in Production Machine Operator jobs. 140 qualification placements for Health hygiene Safety and Manufacturing practices. 134 learners were placed in the Food and Beverage Packaging Level 3 qualifications. 129 Learners were placed for acquiring a certificate for sewing skills. 127 learners were placed for acquiring a National Certificate in Community House Building. 115 learners placed for a National Certificate in Fruit Packaging.

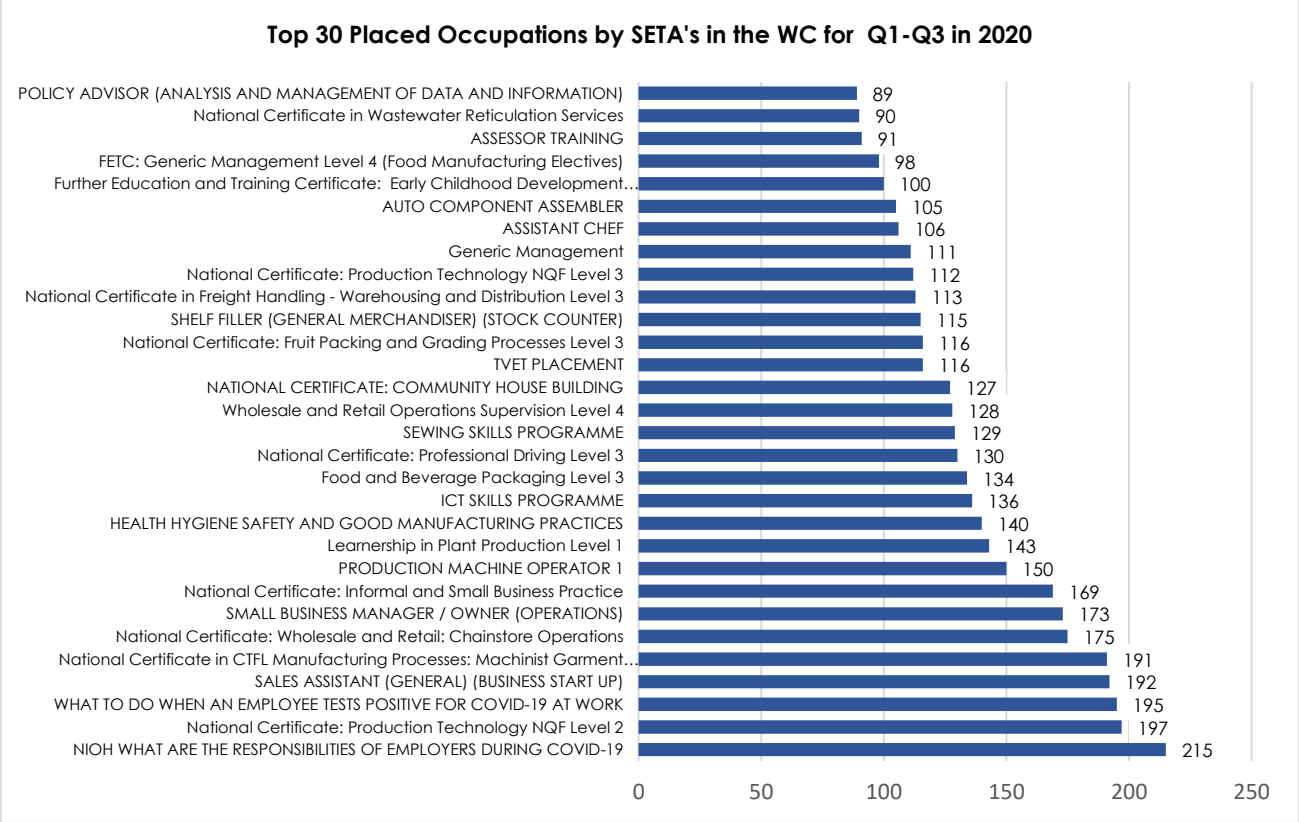

Figure 17: Top 30 Placed Occupations by SETA's in the WC 2020 based on (DHET & SETA Data for Q1Q3)

The above are the top 30 highly supplied qualifications in the Western Cape province for 2020 Q1-Q3. The challenge with the different placements for the different SETA's is that not all placements require a qualification or equip the learner with a qualification. Some placements are stated under a SETA and there is no specification on the roles and responsibilities of the learner. The gap in the data identifies that SETA's and the relevant departments must specifically outline the job title, roles and responsibilities of the learners to match the supplied qualification with the acquired training. From the graph below, it is concluded that the 30 most supplied qualifications in the province are the once stated in figure 17 above.

5 The lowest placed qualifications for 2020 in the WC by SETAs

No.	Top 40 Lowest Qualicitation Placements in the WC 2020 Q1-Q3
01	Bachelor Of Science: Education
02	ABET COMMUNICATIONS LEVEL 2
03	Bachelor Of Arts In Theatre And Performance
04	BATCHELOR'S DEGREE GENERAL
05	BACHELOR OF ARTS: HUMAN RESOURCE MANAGEMENT
06	BCOM
07	Bachelor Of Science: Health Promotion
08	BACHELOR OF COMMERCE IN HRM
09	Bachelor Of Science: Medicine Honours: Exercise Science: Biokinetics
10	BCOM: HUMAN RESOURCE
11	Bachelor Of Science: Sport And Exercise Science
12	BCOMM: GENERAL
13	Bachelor Of Arts: Humanities
14	Advanced Diploma In Accounting
15	Bachelor Of Social Science Honours In Psychology
16	BS TRAINING: FURNITURE MAKING: WOOD
17	Bachelor Of Social Science In Sociology
18	BTECH IN INDORMATION TECHNOLOGY
19	Bachelor Of Social Science: Governance And Political Studies
20	BTECH: RETAIL BUSINESS MANAGEMENT
21	Advanced Diploma In Fashion
22	Bachelor Of Commerce In Management Sciences
23	Bachelor Of Technology: Architecture
24	BACHELOR HUMAN RESOURCES MANAGEMENT
25	Bachelor Of Technology: Cost And Management Accounting
26	Bachelor Of Commerce: Economics And Finance
27	Bachelor Of Technology: Engineering: Electrical
28	Advanced University Diploma: Occupational Health
29	Bachelor Of Arts: Social Work
30	BACHELOR IN COMMERCE
31	Bachelor Of Technology: Environmental Health
32	CERTIFICATE IN SECURITY MANAGEMENT
33	Bachelor Of Technology: Fashion
34	ASSISTANT ARC WELDER (PHASE 2)
35	Bachelor Of Technology: Graphic Design
36	Certificate: Education: Training And Development
37	Bachelor Of Technology: Human Resources Development
38	Bachelor Of Education Honours In Educational Leadership And Management
39	Bachelor Of Technology: Human Resources Management
40	Bachelor Of Education In Foundation Phase Teaching

Table 3: Lowest Placed Qualifications in the WC by SETA's for 2020

The list provided in table 3 above is not according to the qualification importance but rather the lowest qualification placements across different SETAs. These qualifications had one or two learners placed via SETAs in the different institutions. According to the data provided by the SETAs, these qualifications had the lowest placements in the Western Cape.

6 Placed Qualification Levels by SETA's in the WC 2020 based on DHET supply data

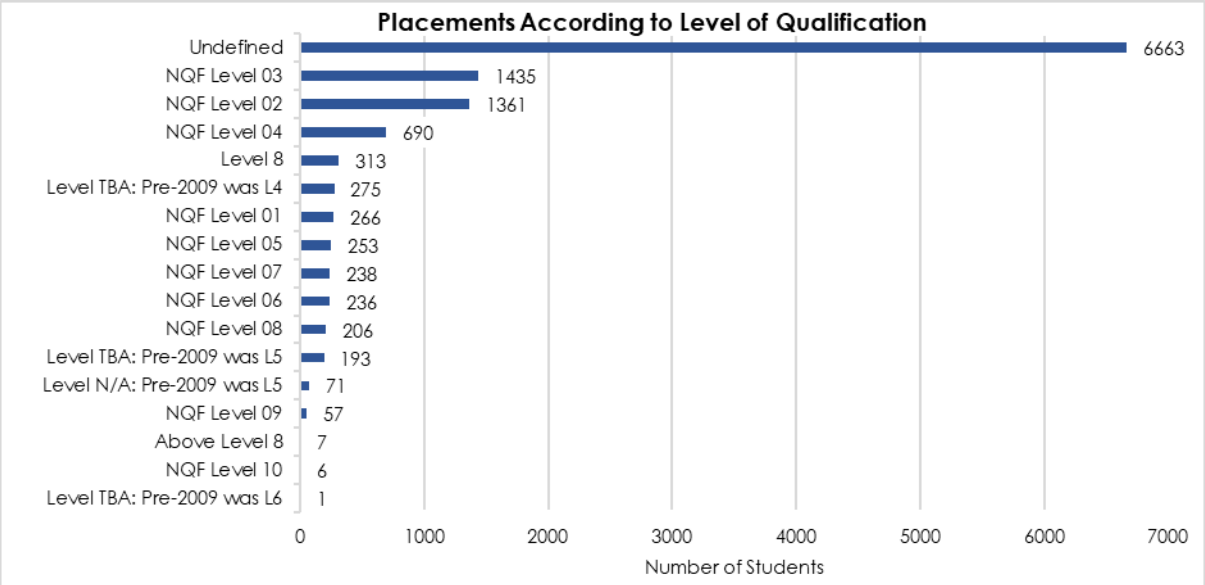

Figure 18: Produced Qualification Levels by SETA's in the WC 2020/21

In Figure 18 above, we can see that most placements have either undefined qualifications, or they do not equip placed learners with a qualification that can be attached with the particular placement. There are 6663 learners that are placed with no definitive qualifications from the 12227 total placements between Q1 and Q3 of 2020/21. However, there are 1435 learners that are placed for an NQF level 3 qualification. The higher levels of qualifications have the lowest number of intakes as such, level 10 has 6 placed learners and the SETAs had 7 learners placed for qualifications above level 8. For level 2 there are 1361 learners and the rest of the qualification levels have intakes ranging from 200 learners placed to 690.

The National Certificate: Vocational, Level 4 is aimed at learners in TVET Colleges. These learners leave the TVET College either for higher education or for employment in the workplace. The National Certificate: Vocational, Level 4 aims to equip learners adequately for entry into the world of work by providing them with practical knowledge and skills related to a particular economic or vocational sector. It also has as its objective to provide learners with ways to cope with the social, economic and cultural challenges they face in their daily lives.

While the vocational component of the qualification is grounded in the South African context, it also incorporates global imperatives to help the South African economy to compete internationally in terms of such issues as productivity, quality, efficiency and cost effectiveness. This qualification will provide learners with the knowledge, skills, attitudes and values, which should enable them to access learning in the higher education band.

According to the South African Qualifications Authority (SAQA) (2020) the national certificate: vocational, Level 4 has the objectives of;[11]

- Equipping learners with the knowledge skills and values necessary for self-fulfillment and meaningful participation in society as citizens of a free country.
- Providing access to higher education in a specific vocational sector.
- Facilitating the transition of learners from formal education to the workplace.
- Providing employers with a profile of learner's competencies.

It is assumed that learners who access this qualification are competent in the Exit Level Outcomes and Learning Outcomes at NQF levels 2 and 3 of the subjects they will offer in the National Certificate: Vocational, Level 4. From the above data it can be concluded that learners with NQF level 3 and below are not ready for experiential work placements as they do not have the required knowledge and skills for working independently in the workplace.

[11] The South African Qualifications Authority (2020), available at: https://regqs.saqa.org.za/viewQualification.php?id=50441

7 Placements by Programme Type

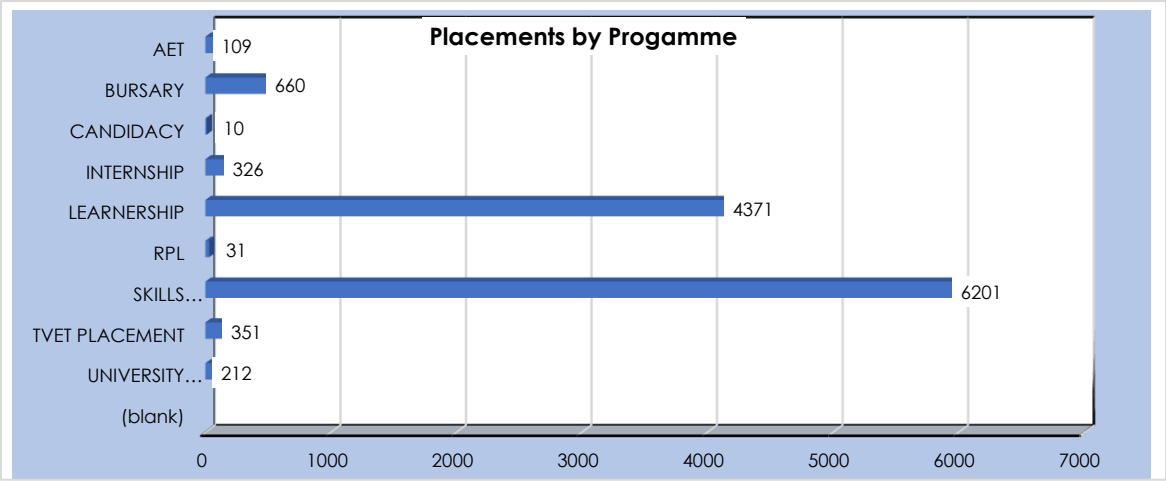

Figure 19: Placements in the WC by programme Type for 2020

A skills programme is an occupation-based learning programme aimed at building skills that have economic value, and which incorporates at least one-unit standard. It is registered by a SETA and delivered by an accredited training provider and it leads to a qualification registered on the NQF.

The above graphic shows the placement programme type in the WC from Q1 to Q3 where the **skills** programme were the highest number in which 6201 learners were placed, followed by **learnerships** which placed 4371 learners throughout the recorded quarters in 2020/21. There are 660 learners placed in **bursary** programmes with a slow decline of 351 **TVET** placements and 326 **internships** for the same period.

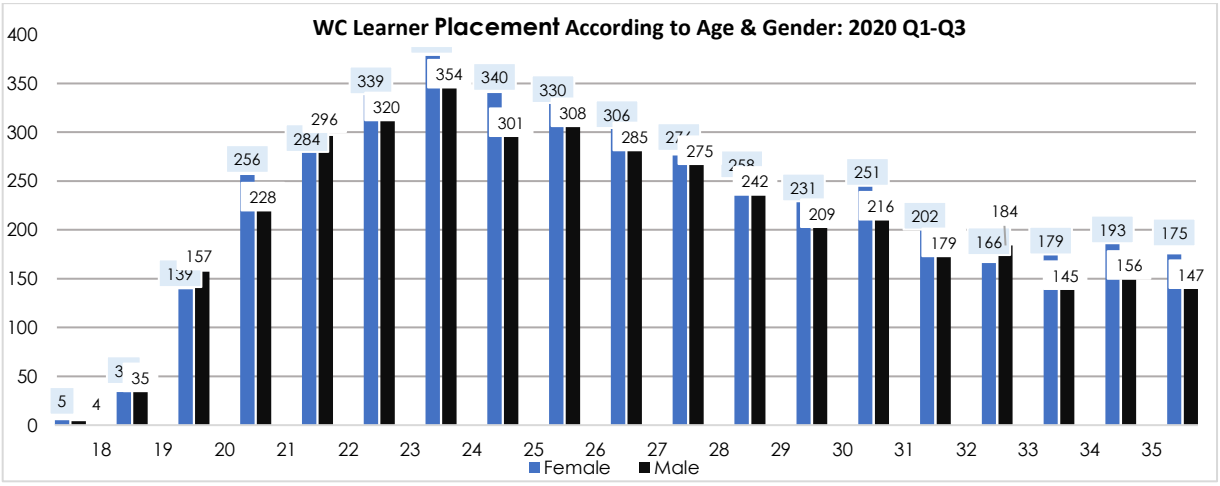

Figure 20: Placements by Gender for Q1-Q3 in the WC 2020/21

The above graph shows placement according age across males and females. Based on the placements, females account for 52% of placements and males 48%. In figure 21 below, we see that a larger number of women (52%) vs males (48%) placed over the same period.

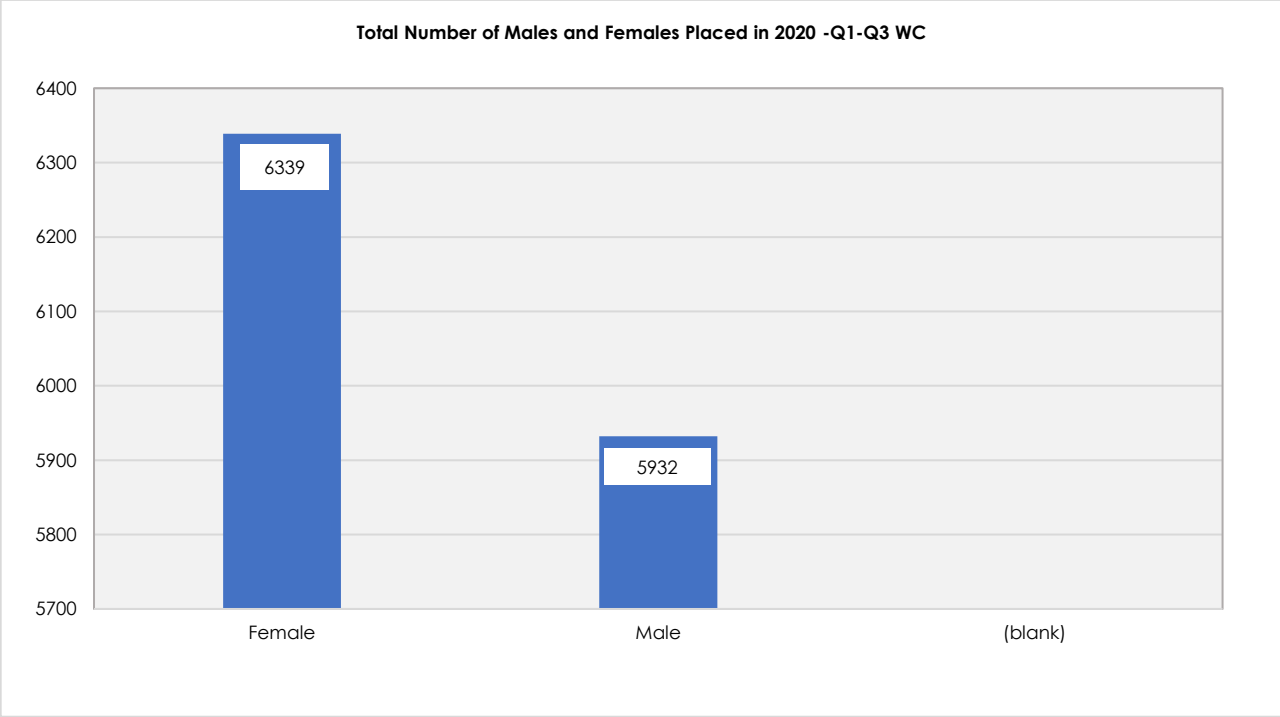

Figure 21: Total Number of Males and Females Placed in SETA's for 2020/21

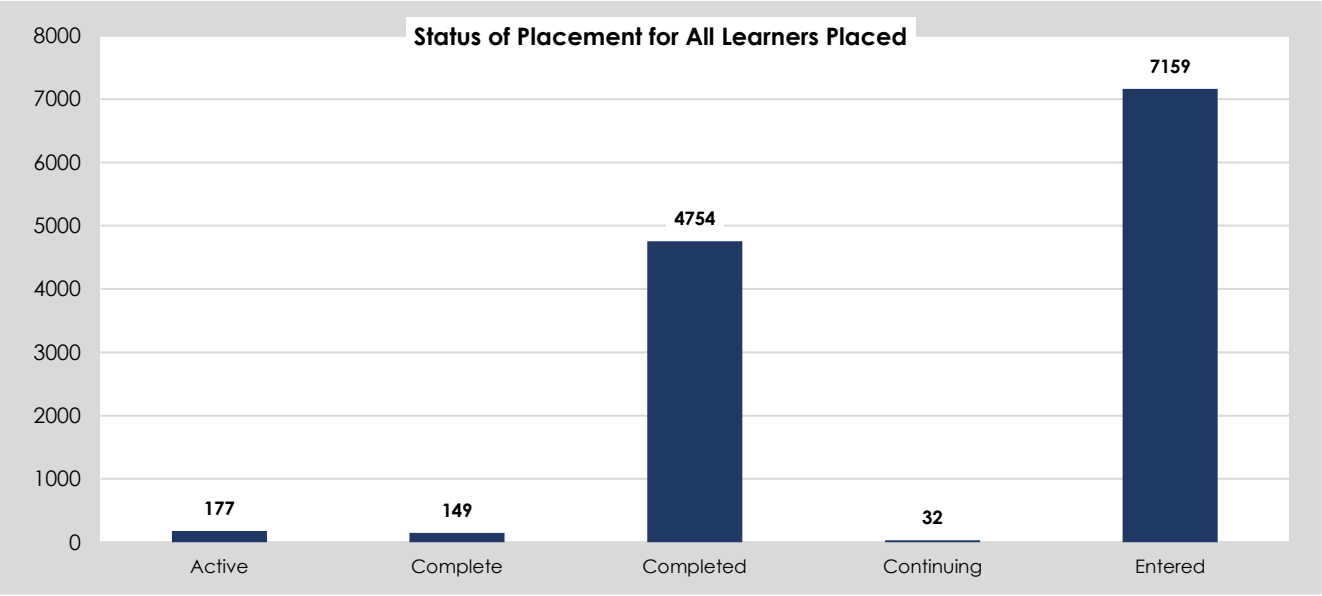

Figure 22: Completion Status for Placed Learners by SETA's in 2020/21 extrapolated from SETA data for Q1-Q3)

The learners entering the placement opportunities are placed at different times and duration and will complete in future quarters. Not all training and placement opportunities are geared towards the same time-frames.

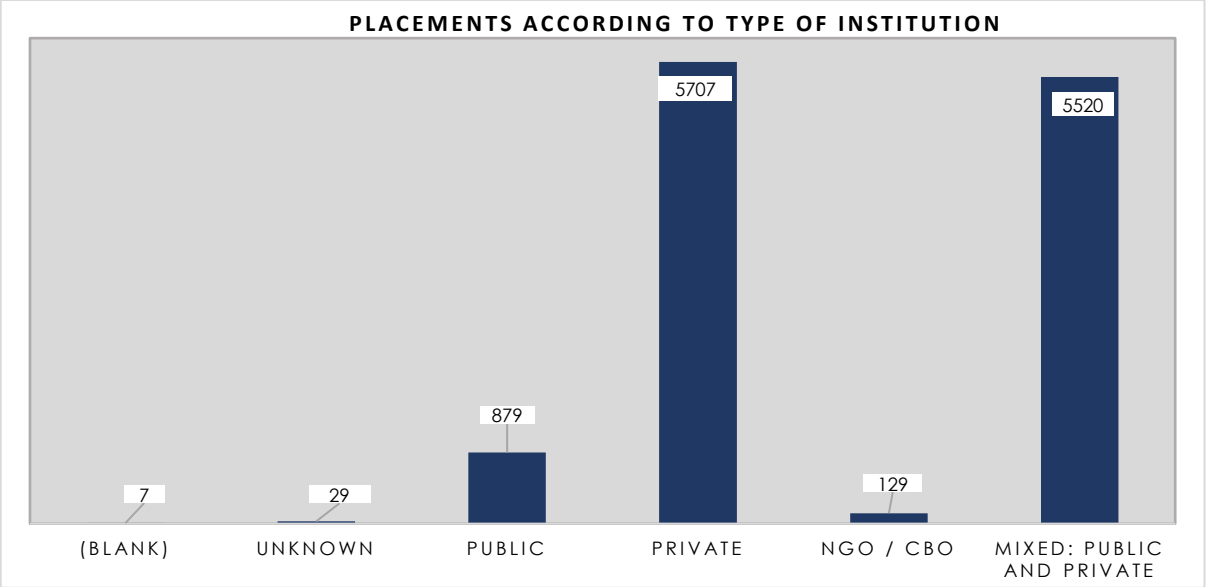

Figure 23: Placements According to the Type of Institution for 2020/21

Based on the above bar graph, the private institutions hosted the highest number of learners.

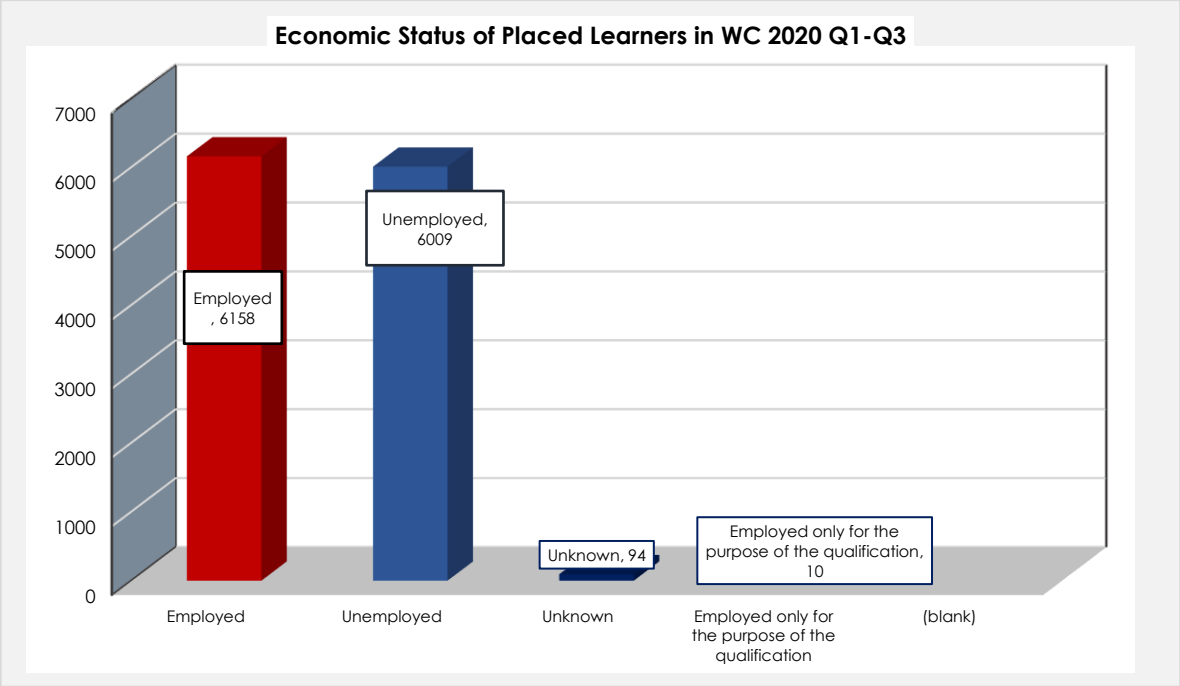

Figure 24: Employment Status of Placed learners in 2020

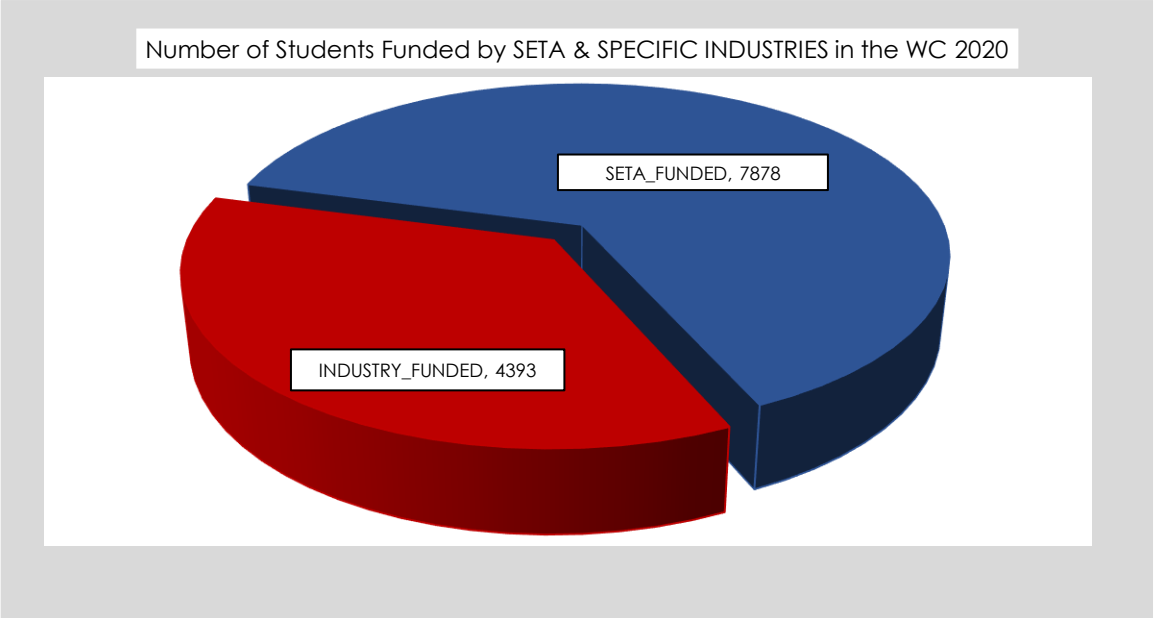

Figure 25: Type of Funding for Placed Learners

The diagnostic report on skills development makes the following recommendation; while there is a need for continued investments in a differentiated higher education system, which contributes high-level skills development and knowledge production, drawing on the new evidence base established through this project, we argue that a greater impact on poverty, inequality and unemployment, which mostly affects persons who have not yet achieved an NQF level 4 qualification, can be made by stronger focusing on quality lower NQF level qualifications (1 – 4), both as goals in themselves as well as a pathways into high skills general/academic, professional and occupational qualifications.

Skills development must be focused not only on employability but result in a qualitative change in the lives of South Africans, fostering holistic human development, capabilities for sustainable livelihoods, and self-employment (and entrepreneurship) along with employment. It must also be accompanied by improved linkages between provider institutions, legislated Work Place-Based Learning (WPBL), rationalized regulatory arrangements, and more flexibility for access to, articulation and progression in the NQF, and particularly unblocking bottlenecks at NQF level 4 and into qualifications in the higher education band (both the general academic and occupational pathways).

Policy should include in its definition of target groups specifically those that have been and continue to be marginalized from the system or are struggling to access the formal system; youth not in education, employment or training, poor colored and black rural and township communities, rural colored and black women, and so forth, which can then be more expressly targeted as vulnerable groups, and targeted policy mechanisms can be designed to reach them and provide them specifically with access to skills development (e.g. regarding the location of new campuses, institutional differentiation, and special needs provision). In addition to explicitly stating the target groups, legislation must include an indication of resources and the proportion of resources that will be allocated to these groups.

Western Cape Government
Economic Development and Tourism

PART D

Conclusion and Recommendations

1 Key Recommendations from the Analysis of Skills Supply and Demand

DHET's recommendations are based on an approach to skills planning that considers the challenges of economic growth and inclusive development in South Africa. The skills planning focus is not only on a small number of skilled people in the workplace, but covers the unemployed, youth, the low skilled, marginalized, and those in vulnerable forms of employment, including the self-employed and in the informal economy. The dilemma facing policy makers is how to respond to these diverse sets of development and occupational pathways and decide how resources should be targeted for inclusive skills development. These imperatives may seem paradoxical, but each is essential to achieve a more inclusive growth and development trajectory. Employment growth has not been adequate to absorb a rapidly growing labour force, thus resulting in consistently rising unemployment rate. Based on economic trends as highlighted in the Human Sciences Research Council (HSRC), commissioned by DHET, the major constraint to sustainable job creation in South Africa is the structural mismatch between labour demand and labour supply. Economic growth has largely remained anchored on large-capital intensive industries and a rapidly growing financial services sector. High-skilled workers are highly favoured and preferred in the labour market, although most of the unemployed population is low skilled.

2 Conclusion

South Africa has a huge challenge of unemployment, poverty and inequality. This situation has been exacerbated by the pandemic which infiltrated the country during the beginning of 2020. Policy-makers are faced with a huge dilemma on how to respond to these diverse sets of development and occupational pathways. Decisions need to be made on how resources should be targeted for inclusive skills development.

The South African labour market is paradoxical, with a structural mismatch between labour demand and supply: the labour market shows a demand for highly skilled workers, but there is a surplus of low-skilled potential workers. The economy must therefore respond to these triple challenges of participating in a globally competitive environment, which requires a high skills base; and a local context that demands more labour-intensive, lower-end wage jobs to absorb the large numbers who are unemployed and in vulnerable jobs, and the growing levels of particularly young

people as first-time labour market entrants. The skills development challenge is not to focus only on a small number of skilled people in the workplace, but also on the unemployed, the youth, low-skilled people, the marginalized, and those in vulnerable forms of employment, including the self-employed

These imperatives may seem paradoxical, but all are essential to achieve a more inclusive growth and development trajectory. Another area that needs to be addressed is the quality of basic education which is a critical constraint for the post-school education and training system and the labour market. Success in the school subjects of languages, mathematics and sciences forms the basis for participation and success in technical subjects in post-school education and training institutions, and in the workplace.

Based on the evidence in table 1 and 2 above, the demand of skills is on target with what is published as OIHD by DHET. The supply of skills, funded by the SETAs, needs to be addressed to ensure that priority is given to the training of skills that are in high demand to ensure that skills are available to fill the much-needed jobs in the economy. DEDAT should share these analysis of demand data and how it correlates with the supply-side with SETAs, TVET Colleges, and other institutions which are involved in the skills development landscape if the Western Cape.

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Sub-Programme 7.1 : **Provincial Skills and Partnership**

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