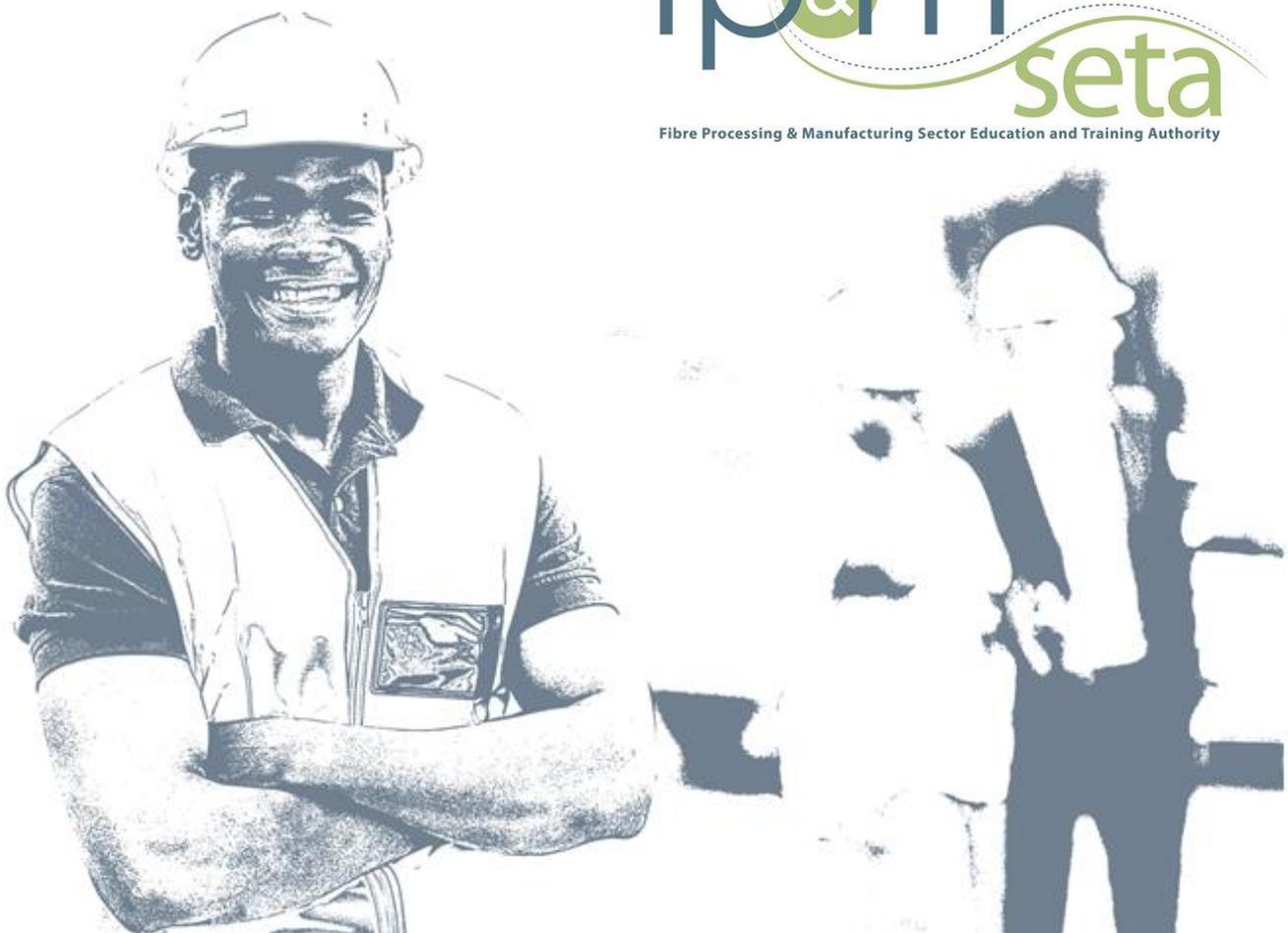


# Impact assessment of Learnerships, Apprenticeships and Bursaries

A Tracking and Tracing study of the  
impact of learnerships, apprenticeships  
and bursaries funded by FP&M SETA

December 2014



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# Contents

## Chapter 1

### Profile of Learners Enrolled for Learnerships, Apprenticeships and Bursaries

Executive Summary .....	7
1. Objective .....	12
2. Methodology .....	12
2.1 Process of compiling data .....	12
2.1.1 Compiling Data for Learnerships and Apprenticeships .....	12
2.1.2 Compiling Data for Bursaries .....	13
2.1.3 Fields of interest for analysis .....	13
2.1.4 Missing data in variables .....	16
2.2 Analysis of data .....	16
3. Results: Description of the population .....	17
3.1 Summary .....	17
3.2 Qualifications .....	17
3.3 Learnership Profile .....	19
3.3.1 Geographical distribution for learnerships .....	20
3.3.2 Age distribution for learnerships .....	20
3.3.3 Socio-status distribution for learnerships .....	21
3.3.4 Equity distribution .....	21
3.3.5 Home language distribution .....	22
3.4 Apprenticeships .....	23
3.4.1 Geographical distribution for apprenticeships .....	24
3.4.2 Age distribution for apprenticeships .....	24
3.4.3 Socio-status distribution for apprenticeships .....	25
3.4.4 Equity distribution for apprenticeships .....	25
3.4.5 Home language distribution for apprenticeships .....	26
3.5 Bursaries .....	27
3.5.1 Age distribution .....	28
3.5.2 Equity distribution .....	29

## Chapter 2

### Geographic Distribution of SETA funded projects

1. Objective .....	30
2. Methodology .....	30
3. Detailed results of geographic distribution of SETA funded projects .....	30

3.1	Summary of geographic distribution of funding.....	30
3.2	Geographic distribution of funding for Learnerships .....	31
3.3	Geographic distribution of funding for Apprenticeships .....	33
3.4	Geographic distribution of funding for Bursaries.....	34

**Chapter 3**  
The success of learning interventions  
in creating an impact

1.	Objective.....	37
2.	Methodology .....	37
2.1	Primary research design to collect the opinions of learners .....	37
2.1.1	Objectives of the learner surveys.....	37
2.1.2	Population and sample for the learners surveys.....	38
2.1.3	Data collection for the learner surveys.....	38
2.1.4	Data analysis of the learner surveys .....	38
2.1.5	Methodology for the qualitative focus groups .....	38
2.2	Primary research to collect the opinions of employers .....	39
2.2.1	Objectives of the employer survey .....	39
2.2.2	Population and sampling for employer survey .....	39
2.2.3	Data collection for employer survey .....	39
2.2.4	Data Analysis .....	40
3.	Detailed results of impact study.....	40
3.1	Completion rates .....	40
3.2	Alignment of skills to needs.....	41
3.3	The impact of learning interventions on learners.....	43
3.3.1	Creating employment for the unemployed .....	44
3.3.2	Increased earnings potential .....	45
3.3.3	Improving inter-personal skills.....	47
3.3.4	Improving chances of promotion and career advancement.....	47
3.3.5	Increased interest in future study and further improvement .....	48
3.3.6	Providing the disadvantaged with access to training .....	48
3.3.7	Learning skills that can assist in self-employment .....	48
3.4	The impact of learning interventions on employers .....	49
3.4.1	Well-trained employees that are multi-skilled and efficient.....	49
3.4.2	Employees show improved workplace behaviour .....	49
3.4.3	Positive effect on productivity.....	50
3.4.4	Improves company morale and assists in staff retention and career planning.....	50
3.5	Challenges faced by employers and learners .....	50
3.5.1	Long training hours .....	50
3.5.2	Challenge of insufficient funding and slow grant disbursement.....	51

3.5.3	Challenge of slow and inefficient communication with FP&M SETA .....	53
3.5.4	Lack of training providers in certain geographic areas .....	53
3.5.5	Approving training .....	53
3.5.6	Certification .....	54
3.6	Suggestions for improvement .....	54
3.6.1	Suggestions for changes in funding structures and payment of stipends.....	54
3.6.2	Improvements to the grants application process .....	55
3.6.3	Assist smaller companies.....	55
3.6.4	Consider supporting more rural areas .....	56
<b>Chapter 4</b>		
<b>Key Trends and Challenges</b>		
<b>for Education and FP&amp;M Sub-sectors</b>		
1.	Objective.....	57
2.	Methodology .....	57
3.	The South African educational context.....	57
3.1	Skills Challenges in South Africa .....	58
4.	FP&M Sector Trends .....	61
4.1	Closing the gap: Gap between education and being able to transfer skills in into the workplace .....	61
4.2	Trends in the sub-sectors.....	62
4.3	Challenges in the sub-sectors.....	63
4.4	Drivers for change in the sub-sectors .....	63
<b>Chapter 5</b>		
<b>Conclusion</b>		
1.	Summary of activities.....	64
2.	Conclusions .....	65
3.	The way forward .....	65
<b>Appendix</b>		
APPENDIX 1: Codes from MIS database .....		67
APPENDIX 2: Detailed description of the South African Context .....		68
2.1.1	Challenges identified by DHET .....	69
2.1.2	General challenges .....	69
2.2	Closing the gap .....	70
2.2.1	Gap between education and being able to transfer skills into workplace .....	70
2.3	Education levels in South Africa.....	72
2.3.1	Literacy in South Africa: Completion of Grade 7 and higher .....	72
2.4	Educational institutions .....	73
2.4.1	Attendance of educational institutions.....	75
2.4.2	The causes of non-attendance.....	76

2.4.3	Problems at educational institutions.....	77
2.4.4	Repeaters.....	78
2.5	Delivery of Education .....	78
2.5.1	FET Colleges.....	78
2.5.2	Pass and throughput rates for NC (V) Levels at FET Colleges .....	79
2.5.3	Pass and throughput rate for Report 191 at FET Colleges.....	79
2.5.4	Adult Education and training (AET).....	80
	Bibliography .....	84

## List of Figures

Figure 1:	Summary of methodologies per learning intervention .....	9
Figure 2:	FP&M SETA Sub-sector relationship.....	14
Figure 3:	CTFL Sector Course Overlap .....	14
Figure 4:	Forestry, Wood Products, Pulp and Paper and Furniture sectors course overlap .....	15
Figure 5:	Packaging, Printing, Publishing and Print Media sectors course overlap .....	15
Figure 6:	Percentage Data Unknown in Fields of Interest .....	16
Figure 7:	Infographic showing the profile of those enrolled for a learnership .....	19
Figure 8:	Learnerships - Geographical distribution by sector .....	20
Figure 9:	Learnerships - Age distribution at enrolment date by sector .....	20
Figure 10:	Learnership - Socio-status by sector .....	21
Figure 11:	Learnership - Equity distribution by sector .....	21
Figure 12:	Learnerships - Home language by sector.....	22
Figure 13:	Infographic showing the profile of those enrolled for an apprenticeship .....	23
Figure 14:	Apprenticeships - Geographical distribution by sector .....	24
Figure 15:	Apprenticeships - Age distribution at enrolment date by sector .....	24
Figure 16:	Apprenticeships - Socio-status by sector .....	25
Figure 17:	Apprenticeships - Equity distribution by sector.....	25
Figure 18:	Apprenticeships - Home language by sector.....	26
Figure 19:	Infographic showing the profile of those enrolled for a bursary.....	27
Figure 20:	Bursaries - Age distribution by province .....	28
Figure 21:	Bursaries - Gender by age interval at enrolment.....	28
Figure 22:	Bursaries – Equity distribution .....	29
Figure 23:	Bursaries - Gender distribution by equity .....	29
Figure 24:	Learnership commitment register by year .....	31
Figure 25:	Learnership commitment register total - by province and year .....	31
Figure 26:	Learnership commitment register total - by province.....	32
Figure 27:	Apprenticeship commitment register by year .....	33
Figure 28:	Apprenticeships commitment register - by province and year.....	33
Figure 29:	Apprenticeship commitment register total – by province.....	34
Figure 30:	Bursaries commitment register - by year.....	35
Figure 31:	Bursary commitment register - by province and year .....	35
Figure 32:	Bursaries commitment register total - by province .....	36
Figure 33:	Employers who offer apprenticeships and learnerships rating the skills of graduate learners .....	41
Figure 34:	Employers' rating of theory component of learnerships .....	41
Figure 35:	Summary relevance of training to FP&M subsectors .....	43
Figure 36:	Employment created by learnerships for the unemployed .....	44

Figure 37: Employer survey - Earnings potential for new hires, as well as experienced learners with a learnership certificate .....	46
Figure 38: Increase in income from before to after completing the apprenticeship .....	46
Figure 39: Learner surveys – Improved communication skills .....	47
Figure 40: Employer survey - Improved chances of promotion according of learnership graduates ...	47
Figure 41: Learner Surveys: Impact of training initiatives on the motivation to further studies .....	48
Figure 42: Employer Survey - Perceived improvement of learners' attitude towards work .....	49
Figure 43: Employer Survey - Influence of learnership on getting up to speed in the workplace.....	50
Figure 44: Employer Survey - Influence of learning interventions on company productivity .....	50
Figure 45: Employer Survey - Working hours during learnership and apprenticeships .....	51
Figure 46: Employer Survey - Stipend sufficiency as rated by learnership students.....	52
Figure 47: Percentage of population group between the age of 18 and 24: Highest level of education achieved.....	58
Figure 48: Percentage 15-24 y/o who completed Gr7 and above, 2002 – 2012 .....	59
Figure 49: AET Pass and Throughput rates .....	59
Figure 50: Post-secondary education sector .....	60
Figure 51: FP&M Sub-sector reports .....	61
Figure 52: Summary of research activities.....	64
Figure 53: Data code classifications .....	67
Figure 54: Type of educational institution attended by youth aged 18–24, by population group, 2002 and 2012 .....	69
Figure 55: Unemployment rate by level of education .....	71
Figure 56: Skills mismatch and little or no skills.....	72
Figure 57: Percentage of the population aged 20 years and above who completed Grade 7 and above by gender, 1995 to 2012 .....	72
Figure 58: Percentage of 15 to 24 year old youth who have completed Grade 7 and above, 2002-2012 .....	73
Figure 59: Post-secondary education sector .....	73
Figure 60: CHET undergraduate throughput .....	74
Figure 61: Geographical spread of learning institutions .....	74
Figure 62: Percentage of youth that attended an educational institution by population group and age, 2012 (StatsSA, 2013).....	75
Figure 63: 16- to 18-year-olds attending educational institutions, 2002 to 2012 .....	75
Figure 64: Reason for non-attendance of educational institute .....	77
Figure 65: Problems experienced at schools.....	77
Figure 66: Percentage repeaters .....	78
Figure 67: Average pass and throughput rates for NC(V) .....	79
Figure 68: Average pass and throughput rates or Report 191 .....	80
Figure 69: AET Pass and Throughput rates 2011 .....	81

## List of Tables

Table 1: FP&M SETA learner frequency per course – 2011/12 to 2013/14 .....	17
Table 2: Completion rates of learners as recorded in MIS .....	40
Table 3: Completion rates of apprentices as recorded in MIS.....	41
Table 4: Sectors not offering any learnerships, apprenticeships or bursaries.....	42
Table 5: Employment increase by sector (based on those who completed a learnership): .....	44
Table 6: Employment increase by sector (based on those who completed the apprenticeship).....	45
Table 7: Average salary and income by sector.....	45
Table 8: Workplace conduct of learnership graduates once appointed.....	49
Table 9: Average monthly stipend paid to learners on a learnership.....	52
Table 10: Average monthly stipend for learnerships by sector.....	52

Table 11: Level of education, 18-24 and 25-34 .....	68
Table 12: Breakdown of attendance per province .....	76
Table 13: Reason for non-attendance of educational institute .....	76
Table 14: Number and percentage of students in public and private FET Colleges who wrote and passed, by qualification type, from 2011 to 2012 .....	78
Table 15: Number of public and private FET College students who entered, wrote and passed NC (V) examination in 2012 .....	79
Table 16: Number of public and private FET College students who entered, wrote and passed the Report 191 N1-N3 December 2012 examinations for <b>engineering studies</b> , by province in 2012 .....	79
Table 17: Number of learners, educators and institutions in AET Centres by province: 2011 .....	80
Table 18: Number of learners entered, wrote and passed, per province: 2011 .....	81

## List of Acronyms

### Abbreviation Description

AET	Adult Education and Training
AOE	African Economic Outlook
DHET	Department of Higher Education and Training
DPE	Department of Public Enterprises
DoL	Department of Labour
FET	Further Education and Training
GHS	General Household Survey
HRD	Human resource development
IPAPA	Industrial Policy Action Plan
LIC	Low income countries
NAMB	New policy on Artisan Development & Strengthening of National Artisan Moderation Body
NEET	Not in employment, education or training
NDP	National Development Plan
NGP	New Growth Path
NFAS	National Student Financing Scheme
NQF	National Qualifications Framework
MIC	Medium income countries
MOA	Memorandum of agreement
MoU	Memorandum of understanding
PIVOTAL	Professional, Vocational, Technical and Academic Learning (PIVOTAL) Programmes;
SABC	South African Broadcasting Corporation
SAQA	South African Qualifications Authority
SIC	Standard Industrial Classification
SDA	Skills Development Act
SETA	Sector Education and Training Authority
SMME	Small, Micro and Medium Enterprise
SOC	State owned company
WSP	Workplace Skills Plan

## Executive Summary

### Introduction and aim of the study

The Fibre, Processing and Manufacturing (FP&M) SETA was established by the Minister of Higher Education and Training on 1 April 2011. The FP&M SETA is a result of the amalgamation of the Clothing, Textiles, Footwear and Leather (CTFL) SETA, Forest Industries Education and Training Authority (FIETA) and the Printing, Packaging and Publishing sectors of the Media, Advertising, Publishing, Printing and Packaging (MAPPP) SETA. The FP&M SETA facilitates skills development in the following sub-sectors: Clothing, Footwear, Forestry, Furniture, General Goods, Leather, Packaging, Print Media, Printing, Publishing, Pulp and Paper, Textile and Wood.

The FP&M SETA commissioned a Tracking and Tracing study that would empirically examine the impact of Learnerships, Apprenticeships and Bursaries on learners, and determine the extent to which these programmes are achieving their objectives. This project served to understand, explore and document key features, trends, challenges and the impact of these three skills interventions in the different FP&M sub-sectors. This project was undertaken to assist in the further development of a sustainable skills development strategy for the FP&M SETA.

The objectives of the study can be summarised in terms of four key aspects, with their related sub-objectives. These include:

*a) Report on the profile of learners enrolled for learnerships, apprenticeships and bursaries incentivised by the FP&M SETA for the financial years 2011/12 to 2013/14.*

- Provide an understanding of the characteristics of the learner in terms of demographics, skills, qualifications and employment profile (employed versus unemployed).

*b) Ascertain the geographic distribution of SETA-funded projects / activities.*

*c) Determine the success of these learning interventions in creating the desired impact.*

- Determine the rate for completion of learnerships and apprenticeships.
- Evaluate the alignment of the skills provided with industry needs.
- Determine the impact of the training initiatives on the student, with specific reference to understanding the absorption of learners into the labour market and the economic value that is created.
- Determining the main impact of these training interventions on the employers in the FP&M subsectors.
- Highlighting challenges and making suggestions for improvements.

*d) Assess the career path opportunities for learners within the FP&M SETA sub-sectors through understanding key trends and challenges in the sub-sectors.*

The report will be structured around these main objectives, and a summary of the results will be presented in chapters addressing each of these objectives.

## Communication strategy

IQ Business and FP&M SETA worked together to create a communication strategy for the Tracking and Tracing Study. The main purpose of the communication strategy was to ensure a consistent approach when communicating to both FP&M internal and external stakeholders. The communication strategy outlined all stakeholders involved in the project, the regularity with which they were to receive the communications, the type of communication, including the party responsible for distributing the message.

## Methodology

As mentioned, this report addresses each of the main objectives in subsequent chapters and each of these chapters provide a detailed methodology, applicable to the objective addressed. This section provides an overview of the methodology by describing the stakeholders that were targeted, and the different types of research designs used.

### *Stakeholders*

The stakeholders identified for this study were the FP&M SETA, the learners (apprenticeships and learnerships), the employers, as well as the training providers. There is an overlap of training providers and employers as a number of employers are also training providers. There are various ways of classifying learners; for example, according to their employment status on entering the training programme or after completion of the training. Learners could be classified as employed, self-employed or unemployed. The learner stakeholder group can also be classified according to status of training; either completed, still studying or terminated.

### *Methodologies*

To address the first objective, of understanding the characteristics of learners, data received from the FP&M Management Information System (MIS) was analysed and reported on. This data contained information for learnership and apprenticeship students in terms of many demographic variables, and a few of interest, such as age and sector, were added using ID numbers or cross-referencing South African Qualifications Authority (SAQA) codes with sector information. A total of 6 207 learners were considered to fall within scope for this analysis, having either enrolled during 2011/12 to 2013/14, or were reasonably expected to be studying during this period. Bursary data is not housed inside the MIS, and a separate spreadsheet, containing fewer demographic variables, was used to analyse bursary students.

The second objective of the study was to understand the geographic spread of the FP&M SETA funding. This objective was met by analysing the commitment register, which keeps a record of all approved funding.

To address the objective of determining the success and impact of the learning interventions, both qualitative and quantitative research methodologies were employed to contact students, employers and training providers.



The two main qualitative methodologies used in this study were:

- **Focus groups:** In this study, two mini-focus groups were conducted; one with employed graduate learners, the other with unemployed graduate learners. Recruitment of respondents for these groups was limited to all who live geographically close to the research venue in Johannesburg. It was possible to recruit three employed and two unemployed learners, within the timeframe of this study.
- **Personal interviews:** Personal interviews were conducted with employers and training providers in many of the FP&M sub-sectors. A total of ten employer interviews were possible in the timeframe of this study.

Two forms of quantitative research were conducted: telephone surveys with learners and online surveys with employers.

- **Telephone surveys with learners:** A structured questionnaire was created with the aim of determining the impact of learnerships and apprenticeships on employment and other aspects of the learners' lives.

Trained interviewers, fluent in a number of vernacular languages, conducted telephone interviews with learners for whom contact details were available. Contact details were available for approximately 24% of the total population. A final sample of 303 learnership students and 81 apprentices were achieved. This represents a 25% response rate for the learnership sample and 28% for the apprenticeship sample. Full analysis of the findings of these telephone surveys are provided in separate reports; namely “**The Voice of the Learner**” and “**The Voice of the Apprentice**”. This report provides a summary of results from these two reports.

- **Online survey with employers:** A web-based survey was created that would allow employers to provide their opinions on the value of the learning interventions. The survey focused on aspects such as training practices, absorption of learners into the market and value perceived. A final sample of 259 employers was achieved, with 71 employers rating learnerships, 67 rating apprenticeships and 23 rating bursaries. A further 121 employers did not offer any of these training initiatives over the last few years.

The Tracking and Tracing study focused on three learning interventions; **Learnerships, Apprenticeships and Bursaries**. Figure 1 presents a summary of how the above methodologies relate to the three learning interventions in this study. No contact details were available for bursary students and therefore they were not contacted directly.

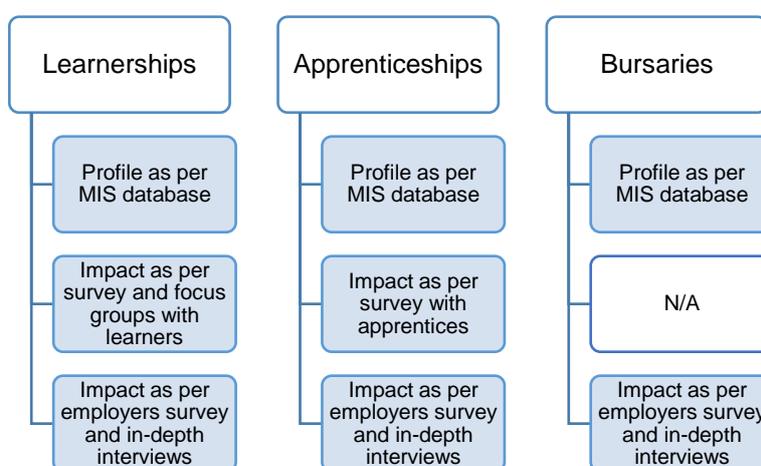


Figure 1: Summary of methodologies per learning intervention

The final objectives were addressed through secondary research (also known as desk research). This includes the summary, collation and synthesis of existing research. In the case of the Tracking and Tracing study, secondary research was utilised to gain further insights into the 13 industries in which FP&M SETA operates. Various industry analyst commentaries and discussion papers were researched in addition to recent news articles on the relevant industries. This provided an insight into the opportunities and challenges that these industries are currently facing. The secondary research was also used in the preliminary stages of the research to inform some of the research design.

An analysis of the Management Information Database (MIS) shows that many of the courses offered by the FP&M SETA are very popular whilst there is hardly any take-up for others. The most popular

course offered is the **National Certificate: Clothing, Textiles, Footwear and Leather Manufacturing Process** (43%), followed by a two national certificate in furniture making (SAQA ID 49091 at 12% and 49105 at 7%). On the other hand Knitting Machine Mechanician and Technical Dyer-Finisher are courses where only one student is listed as having enrolled over the last three years.

The commitment registers, as well as the profile of enrolled students, show the most training is offered in Gauteng, KwaZulu Natal and the Western Cape. Learnerships are training initiatives mostly taken up by young black South African men or women. While Apprenticeships offer opportunities to a wider range of ethnic and age groups, it is mostly men who enrol for these (88%). Bursaries students are mostly black, female South Africans between the ages of 21 and 25, living in the Western Cape or Gauteng.

A combination of sources, such as data from the MIS system as well as the surveys conducted, shows that a fair estimation of completion rates for learnerships is between 70-80% and between 40-50% for apprentices. Apprenticeships do take longer to complete than learnerships, typically 3 to 4 years, and would naturally have a higher dropout rate.

One objective of a SETA is the continuous improvement of education at workplaces in order to address the mismatches and shortages of skills in the most efficient manner. This study has found that among employers who offer training, there is high agreement that the skills of graduate learners meet the requirements of the workplace. In addition, qualitative interviews highlight the role that training initiatives play in improving the basic levels of literacy and numeracy.

Employers and learners are positive about the value of learnerships, apprenticeships and bursaries. These skills interventions create multi-skilled employees who contribute positively to the productivity of the companies who employ them. Unfortunately employers can not employ all learners trained, due to economic and other pressures. A positive outcome is that trained employees are now exposed to the market, which benefits smaller companies who cannot afford, or do not qualify to train employees.

The learner surveys showed that unemployment dropped from 72% to 44% among those unemployed on entering the learnership program. Those still unemployed remain positive about their future prospects. The employment statistics for apprenticeships are even more impressive with 71% of the unemployed, who graduated from apprenticeship programmes, having found employment at the time of the survey. Data gathered through discussions with employers in different sectors revealed that employers are cautious about hiring as a result of economic conditions but that employee numbers remain fairly stable. Survey results confirm that employee numbers are stable in many sectors, with the most opportunities for learners coming from growth in staff numbers in Clothing, Textiles, Footwear, Furniture and Forestry. While the Printing and Publishing sectors report fairly stable employee numbers, with limited growth opportunities, 50% of Print Media companies report a decline in staff numbers.

This study has found that the earnings of a learner increases on completion of training with even greater increases to be expected once more work experience has been gained. On average, employees with a learnership earned R1 400 more per month after completion of their training while apprentices earned, on average, more than double what they used to at R9 810 per month.

In addition to the above mentioned benefits, students show great improvement in personal development. Learnership graduates who took part in the focus groups expressed their gratitude for the improved soft skills, financial skills, attitude towards life, confidence and self-esteem that they saw upon completing their learnership. The results from the learner and employer surveys also confirmed that students leave the programs with better communication skills and improved self-esteem.

Employers and learners do face challenges during the course of training, and have made suggestions for improvements. They would however greatly regret not having access to these training initiatives, and overall consider it worth the effort. Learners are challenged by a low stipend and some find it difficult to afford food and transport during their training. Employers agree that the funding is too low and attribute some of the dropout to this. Some learners question the long hours they work during their practical training and felt a few employers might misuse the learnership to obtain cheap labour. A critical concern for many learnership graduates is the fact that they have not received their certificates on completion, even as much as three years later. Steps are already underway to address this concern.

Employers are challenged by slow and inefficient communication from the FP&M SETA as well as by slow grant disbursement. The new MIS system is noted as being an improvement yet many more recommendations are made for improving the application process.

### **Recommendations**

- The MIS system provides process improvements and employers are seeing the value. The FP&M SETA should consider increasing the speed at which it is adopted as to move away from using the old and the new system simultaneously. The SETA would benefit from a dedicated data manager tasked with ensuring an effective change management process. A data manager could also review the current processes for collecting and holding student data in light of the new PoPI (Protection of Personal Information) act. The SETA might be at risk of breaching the act.
- While the increased adoption of the MIS system would address some of the concerns around the certification of completed learners, the SETA should consider further investigation of the process flow to highlight any additional areas that could be hindering the process. Learners who are not employed after the learnership might lose touch with the employer after leaving the company and the SETA should consider a system of delivering the certificates to learners directly, as opposed via the employers, or, at the very least, following up directly with learners on the receipt of their certificates.
- The SETA might consider investigating the reasons why certain courses have low attendances, and whether it is economically advisable to continue to offer these.
- The SETA could benefit from improving the transparency of grant approvals
- Small and rural enterprises could benefit from additional support. While many are ignorant of the process, others simply do not qualify. They do however operate in areas where possible learners could benefit greatly from an opportunity at training.
- A review of internal processes could be considered, where an improvement would result in a reduction in administration. Likewise, a review of current communication structures could result in improved communication with stakeholders.

# Chapter 1

## Profile of Learners Enrolled for Learnerships, Apprenticeships and Bursaries

### 1. Objective

The purpose of this chapter is to report on the profiles of enrolled learners for learnerships, apprenticeships and bursaries incentivised by the FP&M SETA for the period 2011-2013. This includes details of characteristics of the learners regarding demographics and qualifications.

### 2. Methodology

#### 2.1 Process of compiling data

##### 2.1.1 Compiling Data for Learnerships and Apprenticeships

The FP&M SETA supplied two datasets from their Management Information System (MIS), containing 23 209 and 18 131 entries respectively. The datasets included learners entered from as far back as the year 2000, and therefore needed to be merged and cleaned before commencement of analysis. After merging the datasets, duplicate values were removed by creating a unique variable, which combined ID number and SAQA ID number. Thereafter **19 632** unique entries remained in the single, new dataset.

This study is limited to students studying in the financial years of 2011/12, 2012/13 and 2013/14. In an attempt to limit the number of cases to the appropriate years of focus, a unique variable was created, using the month and year of study to create a financial year indicator spanning from April to March of each year. Learnership students who enrolled in the financial year of 2010/11 were included, as they could foreseeably still have been studying and/or enrolled in 2011/12. Likewise, apprentices who started their studies in 2008/09 were included, as they would still form part of the 2011/12 group.

The study focuses only on the apprenticeships, learnerships and bursaries skills programmes. The data received from the FP&M SETA had to be limited to these training interventions only. However, no field existed in the data to classify intervention type, so the SAQA ID field was used to create this variable. Skills programmes and other courses that fall outside of the scope of this study were deleted from the dataset. The following training programmes were removed from the data, since it was concluded that these training interventions are not in the FP&M SETA's subsectors:

- General Education and Training Certificate: Business Practice
- Further Education and Training Certificate: Contact Centre Operations
- National Certificate: New Venture Creation (SMME)

A total number of 6 290 learners remained after the above procedures were carried out. These learners could be considered as "in scope". However, a few duplicate cases where the same learners were enrolled for multiple courses in the same year were identified and excluded. Out of 6 290 learners remaining in the dataset at this stage, 253 (506 entries) learners appeared twice and 12 (36 entries) learners appeared three times. This is a duplicate error rate of  $(506+36) / 6290 = 8.6\%$ . It was decided to keep learners in the dataset who enrolled for different courses in different years, but not if the learner enrolled for multiple courses in the same financial year. Therefore, 83 duplicate students were removed, leaving a final number of **6 207 learners for analysis in this study**.

### 2.1.2 Compiling Data for Bursaries

Bursary data was received separately from the FP&M SETA, as it is not kept in the MIS system. The excel spread sheet consisted of four sheets namely:

- Outcome 4.2.1: middle and high level skills needs are identified and addressed in all sectors (workers learning programmes entered - excluding artisans - workers)
  - 171 entries
- Outcome 4.2.1: middle and high level skills needs are identified and addressed in all sectors (workers learning programmes certificated - excluding artisans - workers)
  - 20 entries
- Outcome 4.2.1: middle and high level skills needs are identified and addressed in all sectors (unemployed learning programmes entered - excluding artisans - workers)
  - 776 entries
- Outcome 4.2.1: middle and high level skills needs are identified and addressed in all sectors (all learning programmes entered - excluding artisans - workers)
  - 127 entries

These sheets were combined to add up to 1 094 learners from four sheets. 32 learners were excluded, which included 22 whose commencement field was not populated, and ten who completed their course between 2007 and 2010. There were 1 062 learners in the data set remaining.

In order to find duplicate values, the ID number, year and learning institute was combined and 46 duplicates were found. 23 line items were manually deleted to bring the total learners in the bursary data to 1 039 for the period 2011-2014. A summary of these duplicates can be found in Appendix 2.

### 2.1.3 Fields of interest for analysis

The data obtained from the MIS contained coded information in the following fields: equity, province, disability status, home language, gender and socio-economic status. See Appendix 1 for a list of all codes. 191 learners with the equity code 'BI' was assumed to be 'BL' which refers to 'Black: Indian / Asian'. The province codes '0', '15' and 'X' were assumed to be undefined. Industry, intervention, province and equity status classifications were supplemented by cross referencing SQMR data with MIS data.

Age at time of enrolment was calculated by taking into account the enrolment date of learners. (I.e. if enrolled in 2011, current age was reduced by three years in order to calculate age at time of enrolment). The age at time of enrolment is henceforth referred to simply as "age".

A variable of great significance to the study is that of industry classification. This variable was not provided in the MIS data received from the FP&M SETA, and this field was also created by using the SAQA code as a reference point. 43% of learners could only be classified as Clothing, Textiles, Footwear and Leather (CTFL) when using this method. An attempt was made to further classify this 43% into a sector, by attempting to link an employer to a learner and then cross-reference the employer with a sector using a number of other FP&M databases. It was possible to further classify 31% into a sector based on the employer they are linked to.

Classifying the learners based on qualification might not be a 100% accurate due to the overlap between the different subsectors. Figure 2 visually depicts how the FP&M SETA sub sectors overlap. The sectors form three large clusters, with the furniture sector bridging two clusters and the other clusters being very closely related. The centre cluster is related to both of the other clusters.

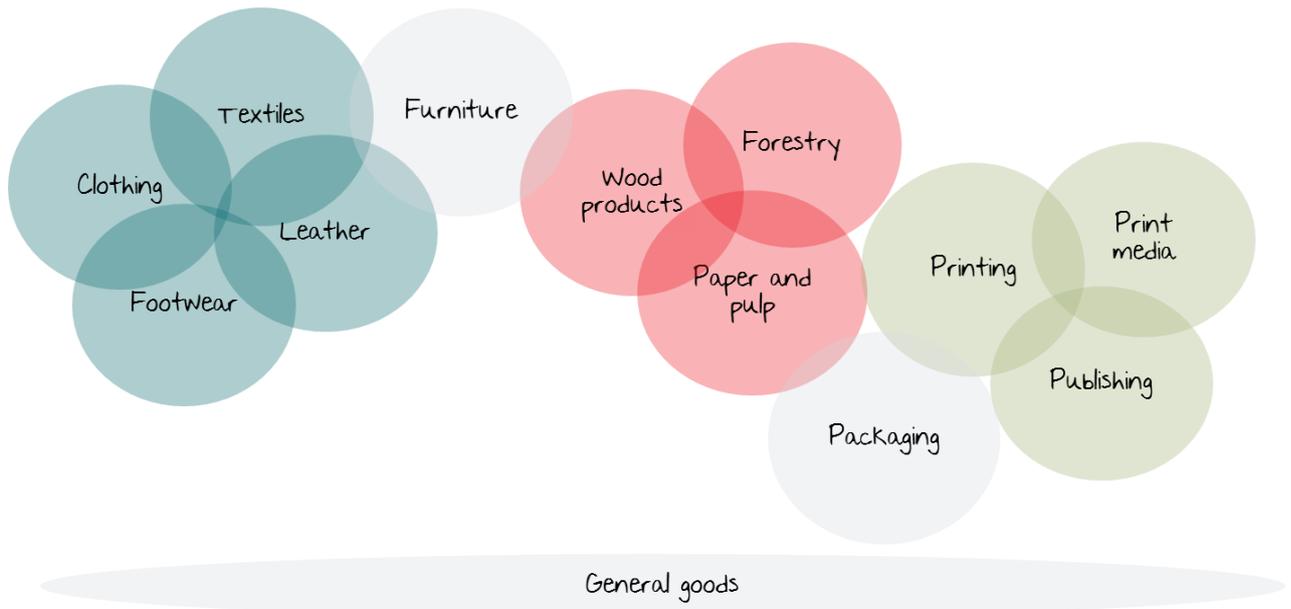


Figure 2: FP&M SETA Sub-sector relationship

Figures 3 to 5 show the overlap of sectors, as well as the SAQA courses and the sectors into which they are formally classified by the FP&M. It is based on this classification that the majority of learners were allocated into a sector. The inter-relatedness of the sectors could mean that a learner is doing a course classified into a specific sector, whilst in reality working in another related sector.



Figure 3: CTFL Sector Course Overlap

**Forestry, Wood Products, Pulp and Paper and Furniture sectors**

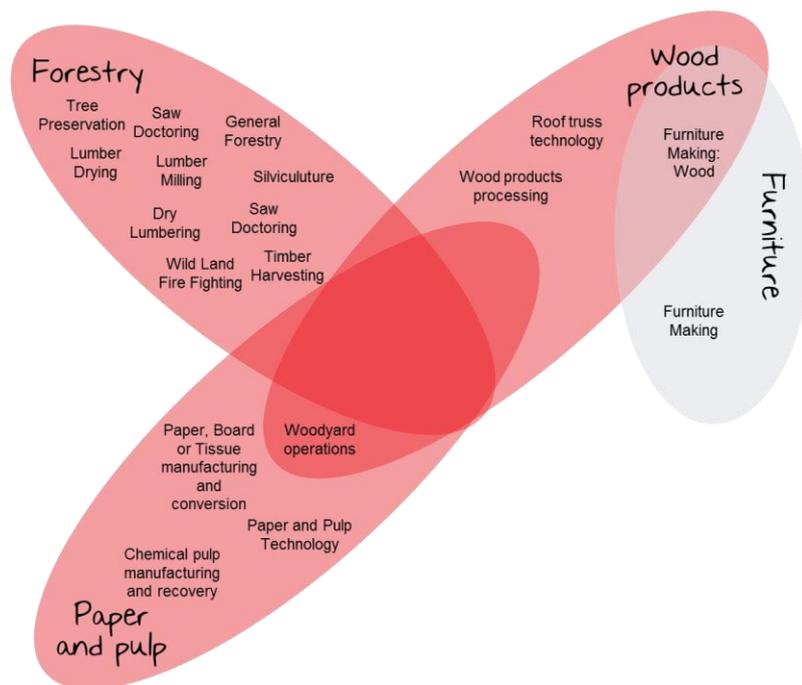


Figure 4: Forestry, Wood Products, Pulp and Paper and Furniture sectors course overlap

**Packaging, Printing, Publishing and Print Media sectors**

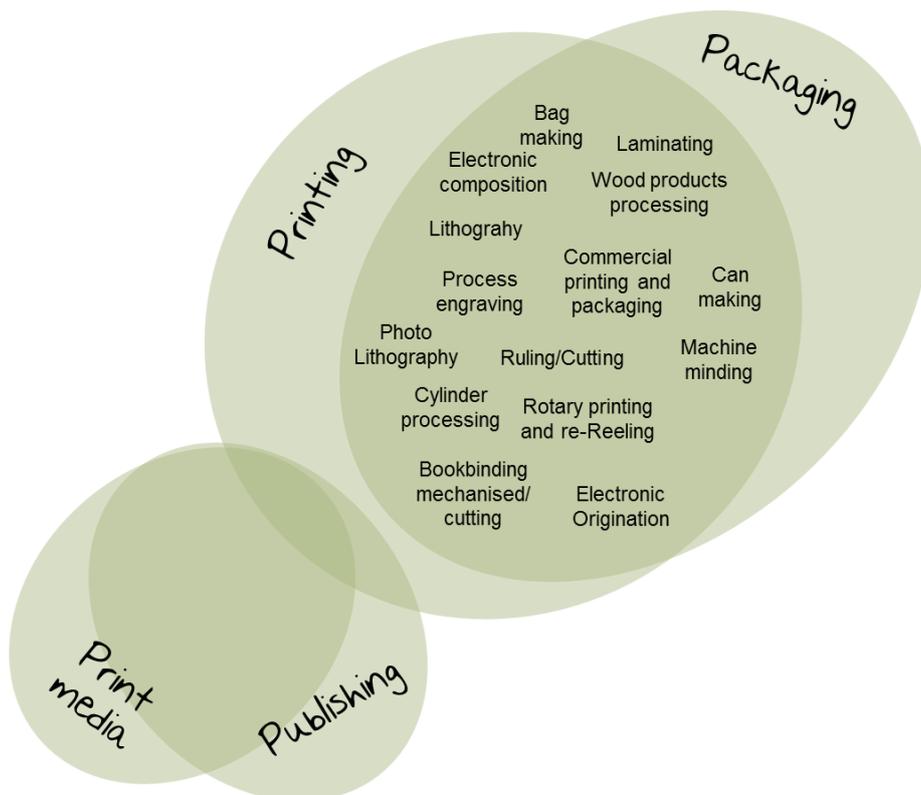


Figure 5: Packaging, Printing, Publishing and Print Media sectors course overlap

### 2.1.4 Missing data in variables

The variables of interest that were analysed were not all fully populated in the MIS system, and the analysis performed in this chapter rebases the percentages to exclude missing data. The percentage of missing data for each variable is presented in the figure below.

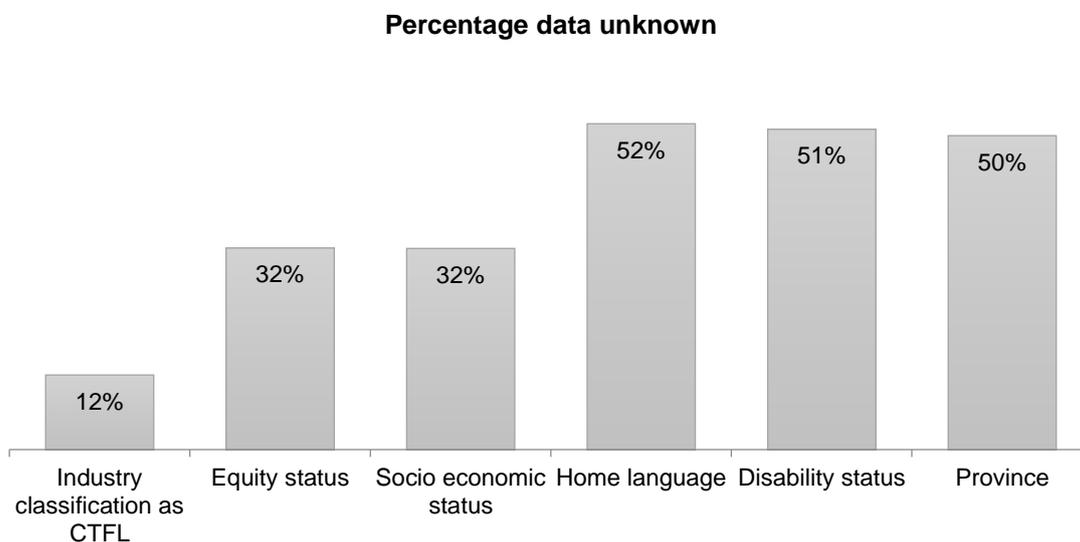


Figure 6: Percentage Data Unknown in Fields of Interest

## 2.2 Analysis of data

Once cleaned using the process described above, the data was analysed in Excel, using pivot tables to create frequency distributions and cross tabulations of the variables of interest.

Fields of interest include:

- **Equity distribution:** ethnic group of the learner
- **Socio-economic status:** employed or unemployed
- **Disability status:** being disabled, this includes sight - even with glasses
- **Age at time of enrolment:** age was calculated off of the learner's ID number and worked back to reflect his/her age at the time they entered the course
- **Home language**
- **Gender**
- **Geographical distribution**
- **Intervention**
- **Sub-sector**
- **Qualification**

Learnerships and apprenticeships could be analysed in terms of all of the above fields, while only a few fields were available for the bursaries students. Each of the learning interventions were analysed separately and the profile of learners are presented graphically in the next section.

### 3. Results: Description of the population

FP&M SETA data was analysed subsequent to the procedure described in the preceding section. The preceding section discusses learnerships, apprenticeships and bursaries learners' characteristics, in order to provide a comprehensive description of the population.

A one page infographic<sup>1</sup> summary showing the profile of learners who were assumed to be enrolled in the 2011/12, 2012/13 and 2013/14 financial years, is included for learnerships, apprenticeships and bursaries. In addition, a detailed breakdown of geographical, age, socio-status, equity and home language distribution is also included in this section.

#### 3.1 Summary

The most popular course offered by FP&M SETA is the National Certificate: Clothing, Textiles, Footwear and Leather Manufacturing Process (43%), followed by two national certificates in furniture making (SAQA ID 49091 at 12% and 49105 at 7%). Some courses, such as Knitting Machine Mechanician and the Technical Dyer-Finisher have only one student listed on the MIS system.

The profile of students enrolling for a learnership shows that students are mostly black South Africans under the age of 25. The gender ratio is 60:40 female to male, with most students completing their learnerships in Gauteng, KwaZulu-Natal or the Western Cape. The MIS data records 66% as unemployed on entering their learnership. Apprentices are more likely to be from a range of ethnic groups and, although most are still aged 25 or younger, are also more likely than learnerships to include older learners. The gender split is skewed towards males with a ratio of 12:88 women to men. Apprentices are more likely to be employed at the time of enrolment than learnership students (55% employed). Bursaries students are mostly black, female South Africans between the ages of 21 and 25, living in the Western Cape or Gauteng.

#### 3.2 Qualifications

The table below lists the SAQA qualifications that are present in the learner data as disused in the preceding section. 43% of learners entered for the 58227 National Certificate course in Clothing, Textiles, Footwear and Leather Manufacturing Process.

Table 1: FP&M SETA learner frequency per course – 2011/12 to 2013/14

SAQA ID	SAQA qualification	Frequency	Frequency (%)
58227	National Certificate: Clothing, Textile, Footwear and Leather Manufacturing Processes	2665	42.94%
49091	National Certificate: Furniture Making: Wood	747	12.03%
49105	National Certificate: Furniture Making: Wood	442	7.12%
50584	General Education and Training Certificate: Clothing Manufacturing Processes	246	3.96%
49082	General Education and Training Certificate: Wood Products Processing	222	3.58%
11263	National Craft Diploma: Lithography (Paper Section)	216	3.48%
11271	National Craft Diploma: Rotary Offset Machine Minding	170	2.74%
50225	General Education and Training Certificate: General Forestry	169	2.72%
21489	National Certificate: Lumber Drying	168	2.71%
11243	National Craft Diploma: Electronic Origination	123	1.98%

<sup>1</sup> A visual representation of information or data, e.g. as a chart or diagram.

SAQA ID	SAQA qualification	Frequency	Frequency (%)
11285	National Craft Certificate: Rotary Printing and Re-Reeling - Flexography	108	1.74%
66312	National Certificate: Lumber Milling	85	1.37%
11269	National Craft Diploma: Roll Label Machine Minding	75	1.21%
11313	National Craft Diploma: Bookbinding Mechanised/Cutting	73	1.18%
66269	General Education and Training Certificate: Lumber Milling	71	1.14%
11281	National Craft Diploma: Carton Making	68	1.10%
21493	National Certificate: Dry Lumber Processing	68	1.10%
11295	National Craft Certificate: Corrugated Board Printing and Finishing Machine Minding	61	0.98%
11291	National Craft Certificate: Corrugated Board Manufacturing Machine Minding	41	0.66%
11317	National Craft Certificate: Printers' Mechanic	34	0.55%
21494	National Certificate: Dry Lumber Processing	32	0.52%
50266	National Certificate: Forestry: Silviculture	32	0.52%
11301	National Craft Certificate: End Making	26	0.42%
11323	National Craft Certificate: Printers' Electrician	25	0.40%
11353	National Craft Diploma: Gravure Machine Minding	24	0.39%
11297	National Craft Diploma: Can Making	23	0.37%
11319	National Craft Certificate: Stationery and Envelope Machine Adjuster	23	0.37%
11347	National Craft Diploma: Continuous Stationery Machine Minding	23	0.37%
49083	National Certificate: Wood Products Processing: Wood Preservation	21	0.34%
11265	National Craft Diploma: Lithography (Metal Decorating)	18	0.29%
11277	National Craft Diploma: Bag Making	17	0.27%
11235	National Craft Diploma: Photo-gravure Cylinder Processing	14	0.23%
49079	National Certificate: Pulp and Paper Technology	11	0.18%
11287	National Craft Certificate: Rotary Printing and Re-Reeling – Gravure	10	0.16%
11309	National Craft Certificate: Bookbinding Craft/Cutting	8	0.13%
66329	National Certificate: Lumber Milling	8	0.13%
48988	National Certificate: Forestry: Timber Harvesting	7	0.11%
11275	National Craft Certificate: Screen Printing	6	0.10%
61104	Weaving Machine Mechanician - Rapier Loom	6	0.10%
58913	Lithography ( Metal Decorating) Dry Litho Monoblock	5	0.08%
11315	National Craft Diploma: Ruling/Cutting	3	0.05%
60833	Upholsterer	3	0.05%
11305	National Craft Certificate: Paper Sack Making	2	0.03%
21486	National Certificate: Saw Doctoring	2	0.03%
65651	National Certificate: Sewing Machine Mechanics	2	0.03%
21485	National Certificate: Saw Doctoring	1	0.02%
61100	Knitting Machine Mechanician (Weft)	1	0.02%
61129	Technical Dyer-Finisher	1	0.02%
61132	Weaving Preparation-Technical Controller	1	0.02%
<b>Total</b>		<b>6207</b>	<b>100%</b>

### 3.3 Learnership Profile

This section provides a full profile of those enrolled to complete a learnership during 2011/12 to 2013/14 – 5 014 learners. Firstly an overall summary is provided in the form of an infographic in Figure 7 below.

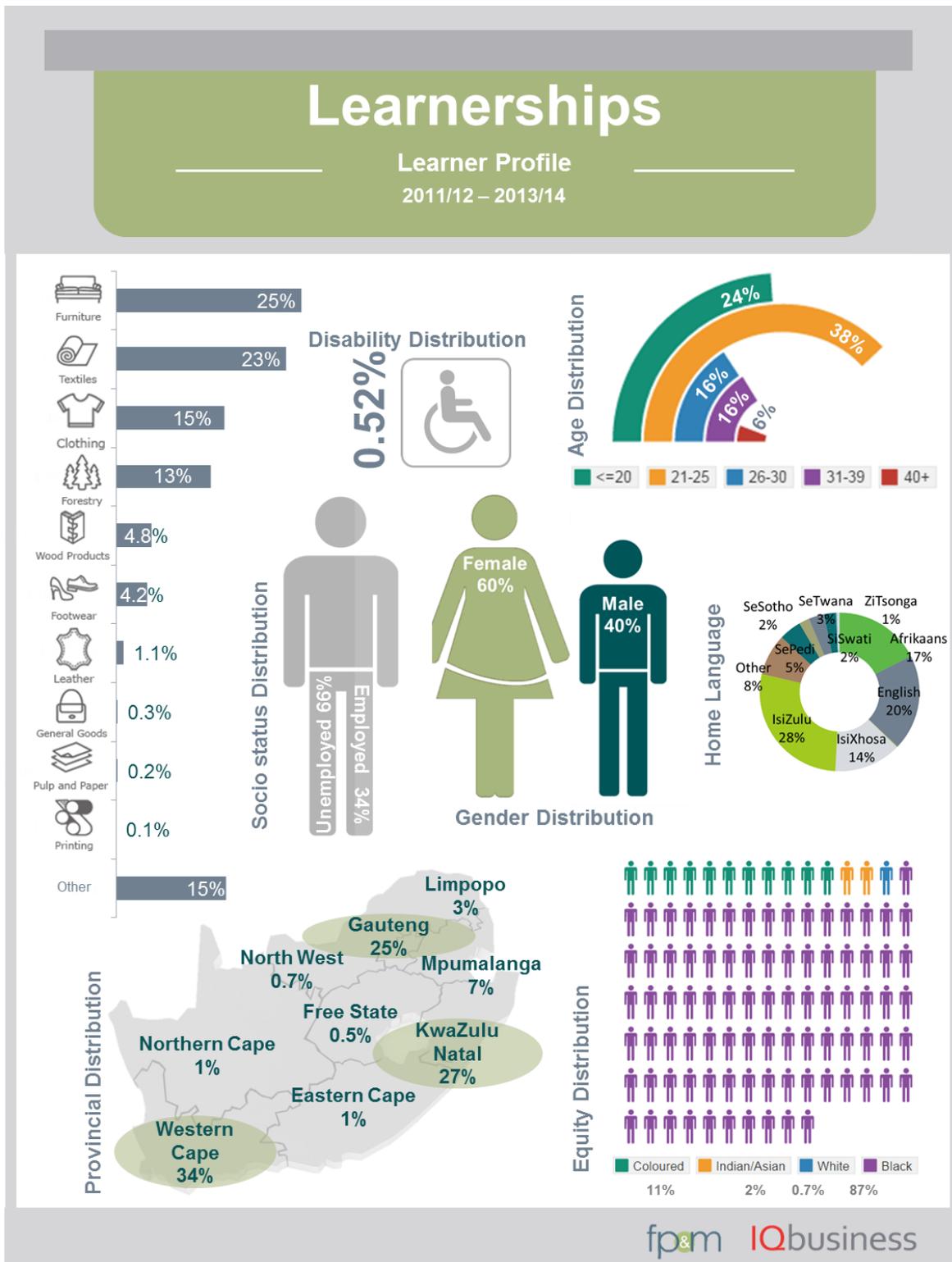


Figure 7: Infographic showing the profile of those enrolled for a learnership

### 3.3.1 Geographical distribution for learnerships

Half of the geographic locations of students on the MIS database were missing. The available 50% of which was analysed and the distribution shown in Figure 8. The largest portion of learners who enrolled for a learnership was located in Western Cape, followed by KwaZulu-Natal and Gauteng. Clothing learners are mostly located in Western Cape. Footwear, pulp and paper and wood products learners are located mostly in KwaZulu-Natal. Forestry learners are located mostly in Mpumalanga. Furniture, leather and textiles learners are mostly in Gauteng.

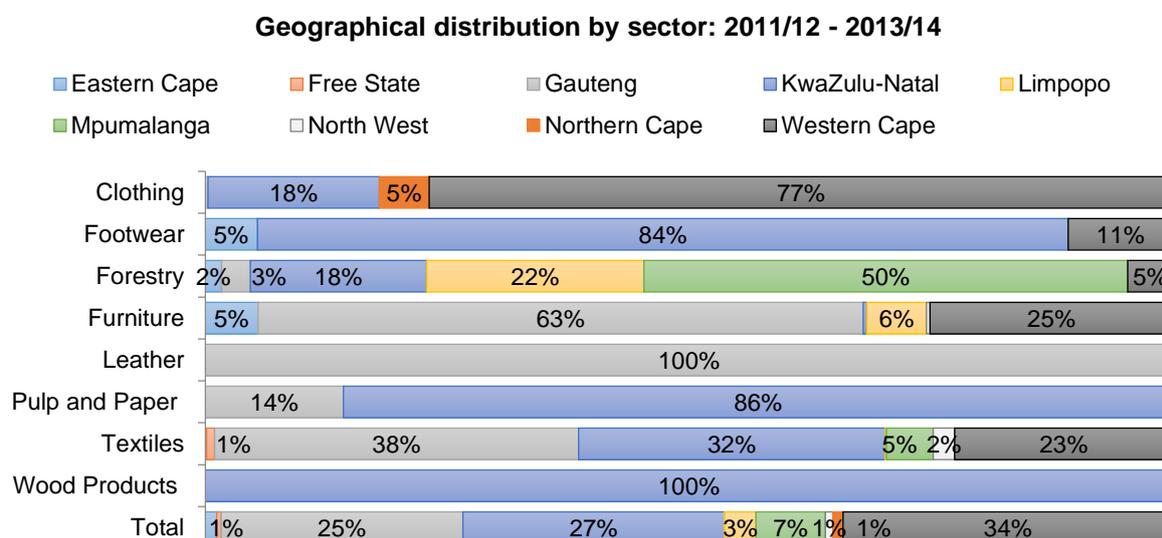


Figure 8: Learnerships - Geographical distribution by sector

### 3.3.2 Age distribution for learnerships

ID numbers and enrolment dates were used to compute age at the time of enrolment<sup>2</sup>. Various age groups were created, and the figure below presents the age distribution of learners at their enrolment date.

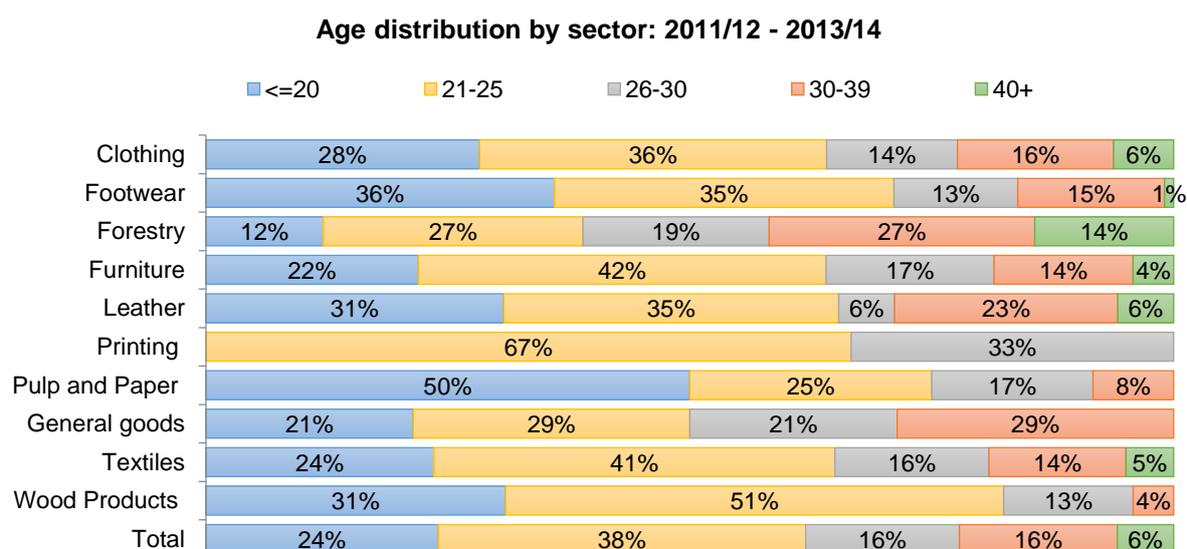


Figure 9: Learnerships - Age distribution at enrolment date by sector

<sup>2</sup> ID number was used to calculate current age of learners as in 2014, adjusted to age at time of enrolment.

The age distribution of learners shows that learners are predominately young adults. 24% are 20 years old or younger and have most likely entered the learnership directly, or shortly after, finishing school. General Goods, Forestry and Leather has a larger proportion of older learners.

### 3.3.3 Socio-status distribution for learnerships

Learners who are unemployed at time of enrolment make up 66% of total learners. The subsectors of Furniture, General Goods, Textiles and Paper and Pulp are particularly likely to take in unemployed learners, while Leather, Footwear and Forestry prefer to offer learnerships to their employees.

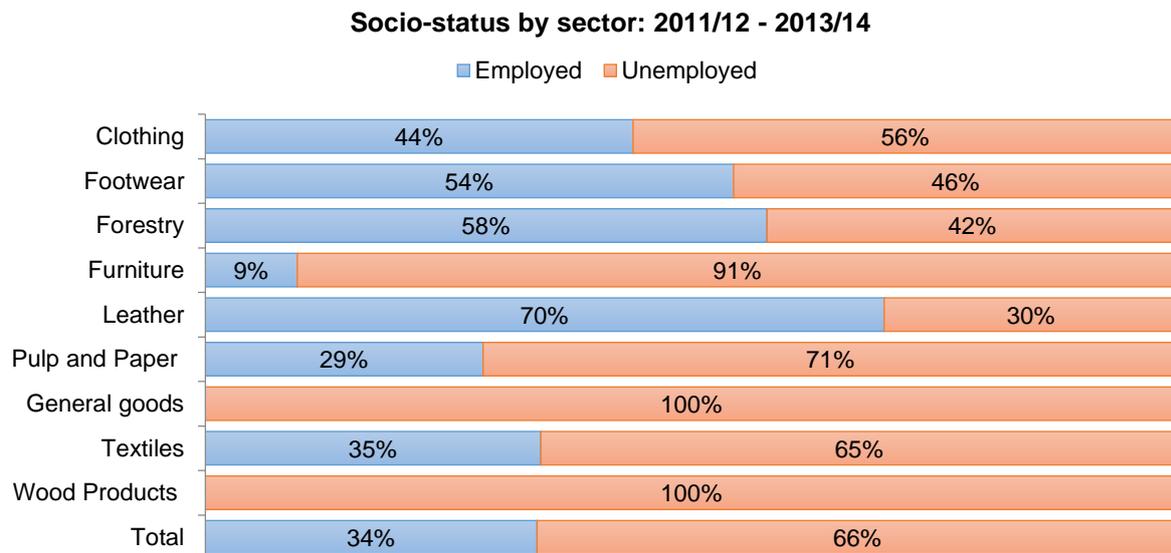


Figure 10: Learnership - Socio-status by sector

### 3.3.4 Equity distribution

FP&M SETA learners are predominantly black South Africans, making up 87% of total learners. The Clothing sub-sector, which is largely located in the Western Cape, does include more Coloured learners.

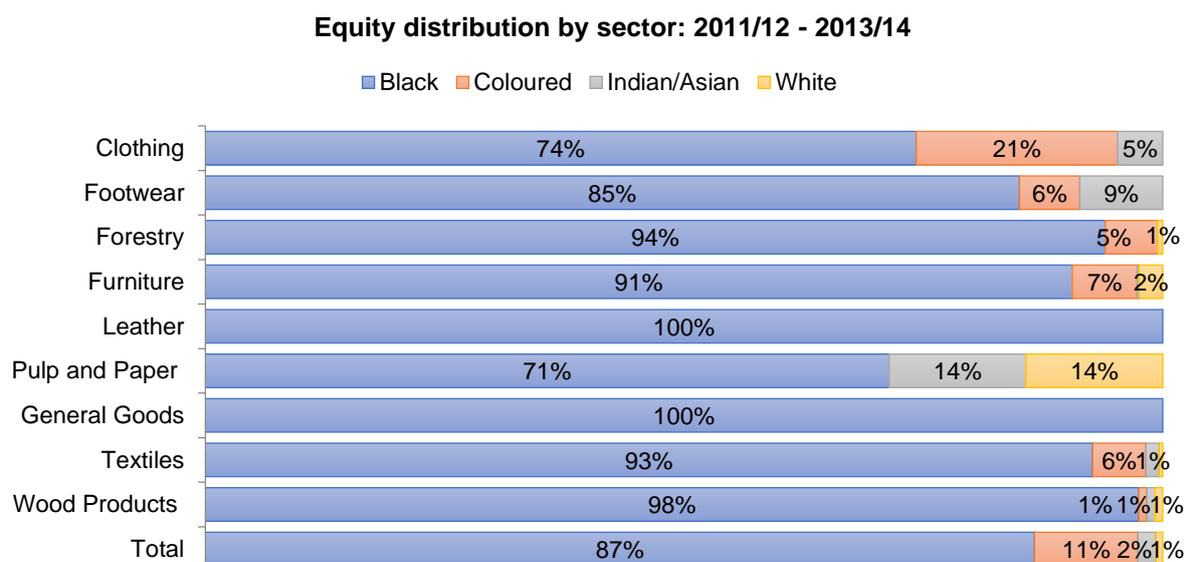


Figure 11: Learnership - Equity distribution by sector

### 3.3.5 Home language distribution

The home language variable was relatively poorly populated in the database, with 2 936 learners' home language unknown. The figure below indicates the distribution, excluding the unknown data. Learners of the FP&M SETA learnerships are mostly Zulu speaking, followed by English, Afrikaans and Xhosa. 20% of learners speak the remaining languages in South Africa. A large percentage of learners are from KwaZulu-Natal, where Zulu is the dominant language.

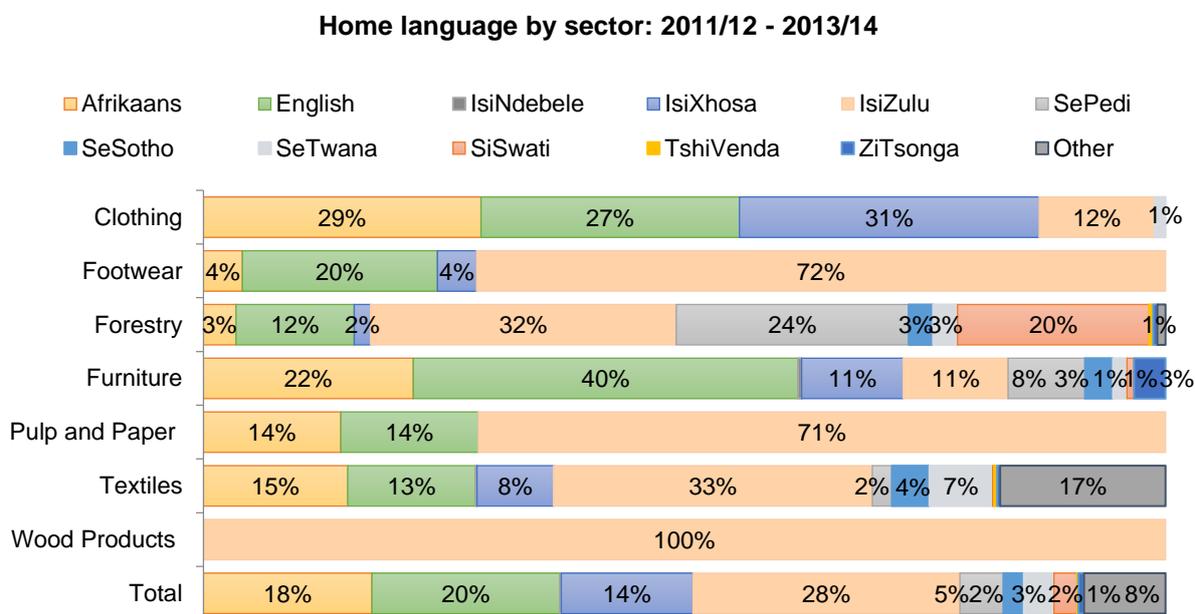


Figure 12: Learnerships - Home language by sector

### 3.4 Apprenticeships

This section provides a full profile of those enrolled to complete an apprenticeship during 2011/12 to 2013/14. Firstly an overall summary is provided in the form of an infographic in Figure 13 below.

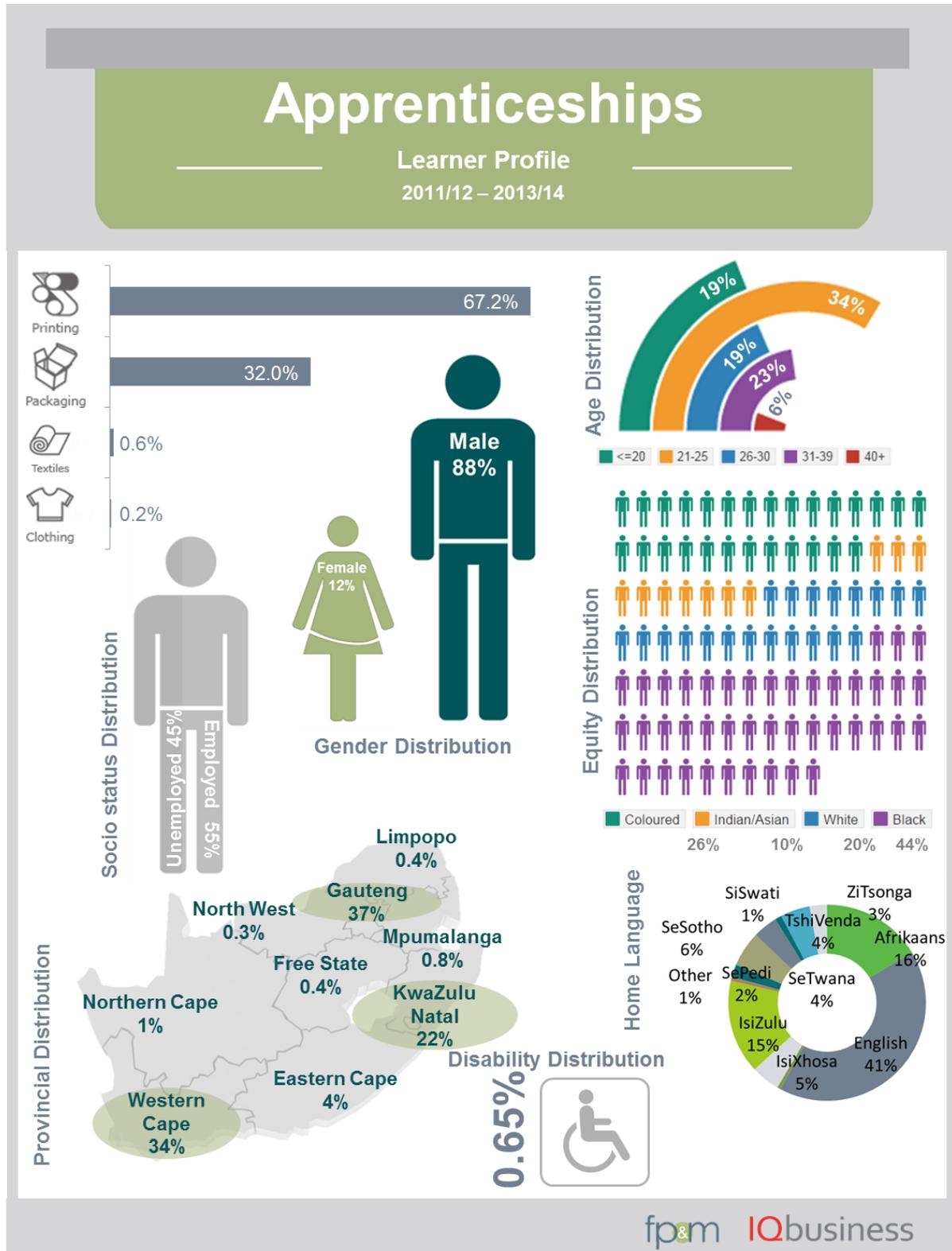


Figure 13: Infographic showing the profile of those enrolled for an apprenticeship

### 3.4.1 Geographical distribution for apprenticeships

The majority of apprenticeships are conducted in the Printing and Packing subsectors, with very few in other sectors such as Textiles and Clothing. Only the data for the two major sub-sectors are presented due to small sample sizes in the other sectors. Apprenticeships occur mostly in Gauteng, followed by the Western Cape, KwaZulu-Natal and Eastern Cape.

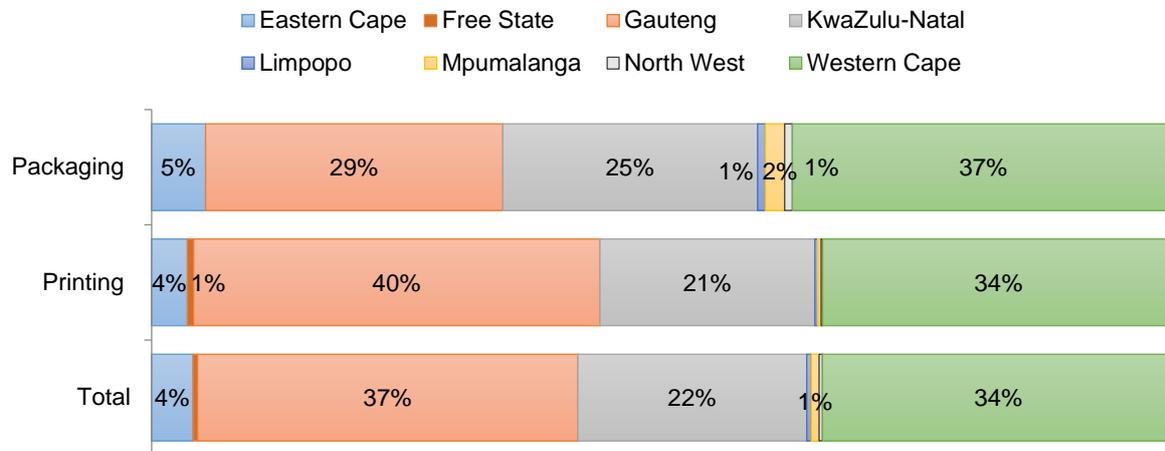


Figure 14: Apprenticeships - Geographical distribution by sector

### 3.4.2 Age distribution for apprenticeships

Apprentices are less likely than learnership students to be under the age of 20 and more likely to be aged 21-25 or 26-30.

#### Age distribution by sector: 2011/12 - 2013/14

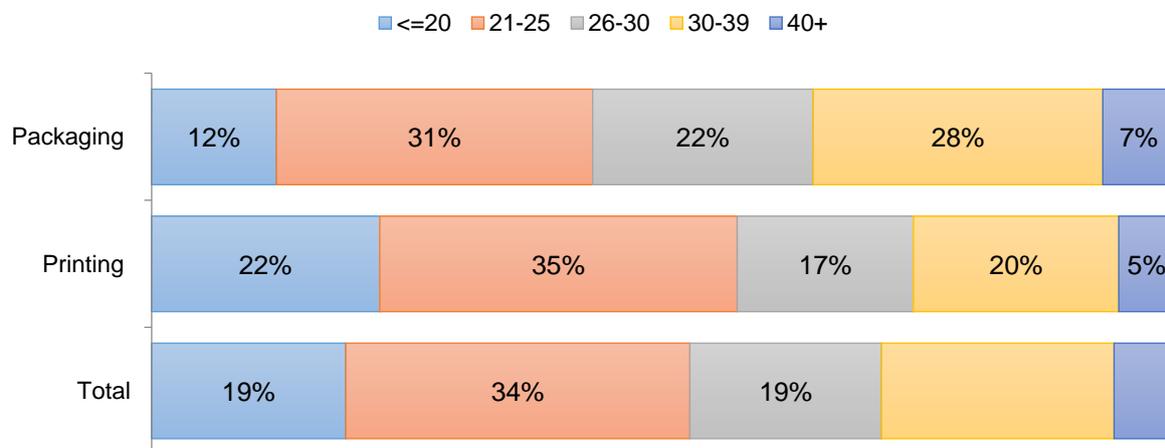


Figure 15: Apprenticeships - Age distribution at enrolment date by sector

### 3.4.3 Socio-status distribution for apprenticeships

The figure below indicates the distribution of socio-economic status of apprenticeships. The split between employed and unemployed learners in apprenticeships is relatively equal.

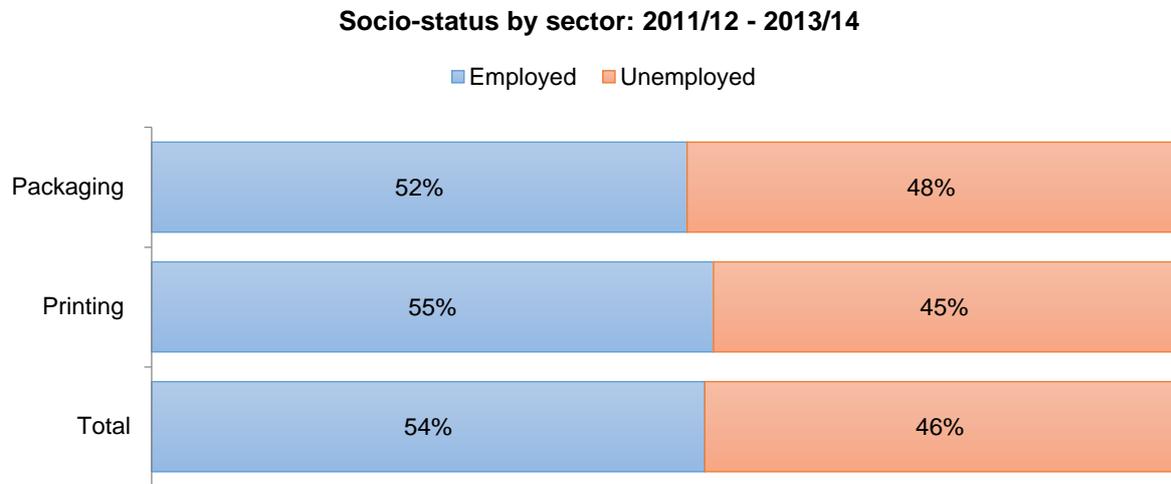


Figure 16: Apprenticeships - Socio-status by sector

### 3.4.4 Equity distribution for apprenticeships

The figure below indicates the race distribution, excluding the 19% missing data. Apprenticeship learners are mostly black South Africans making up 46% of the total portion of learners. Other race groups are more likely to take part in apprenticeships than they are to study learnerships.

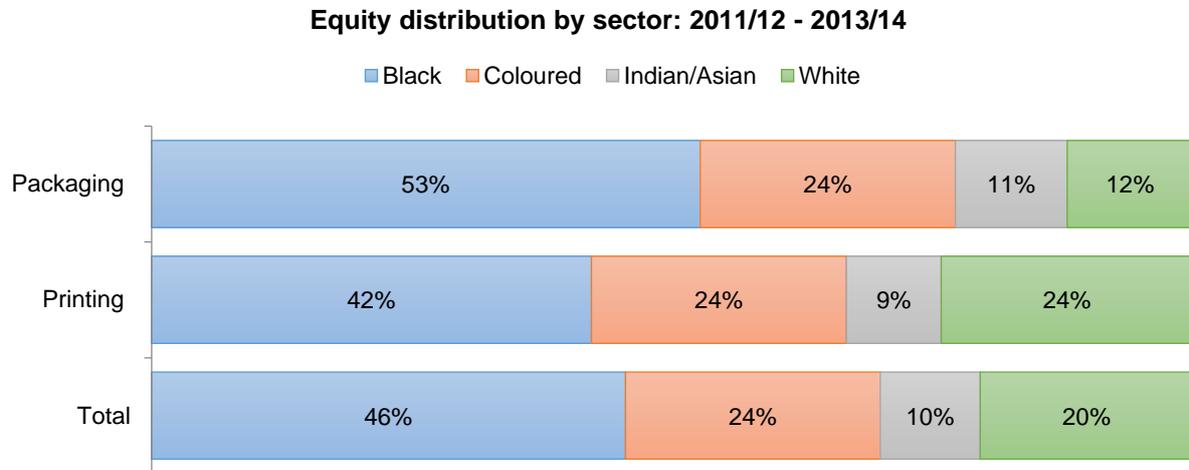


Figure 17: Apprenticeships - Equity distribution by sector

### 3.4.5 Home language distribution for apprenticeships

Apprenticeship data included 1 202 learners where 290 learners' language code was unknown – the figure below indicates the distribution excluding the unknown learners. The home language of most apprenticeship learners is English, followed by Afrikaans and Zulu.

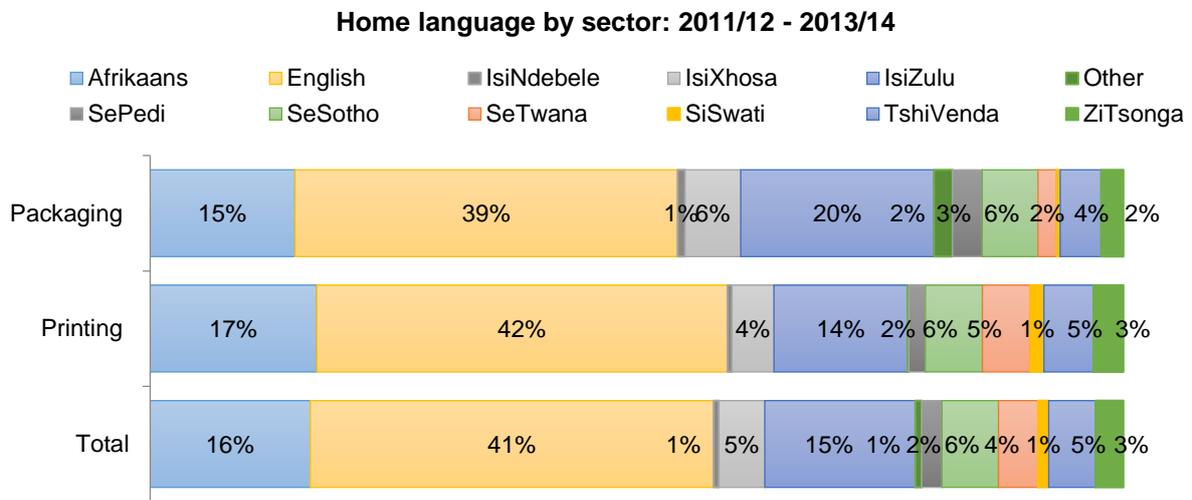


Figure 18: Apprenticeships - Home language by sector

### 3.5 Bursaries

This section provides a profile of those enrolled to complete a bursary during 2011/12 to 2013/14. Firstly an overall summary is provided in the form of an infographic in Figure 19 below.

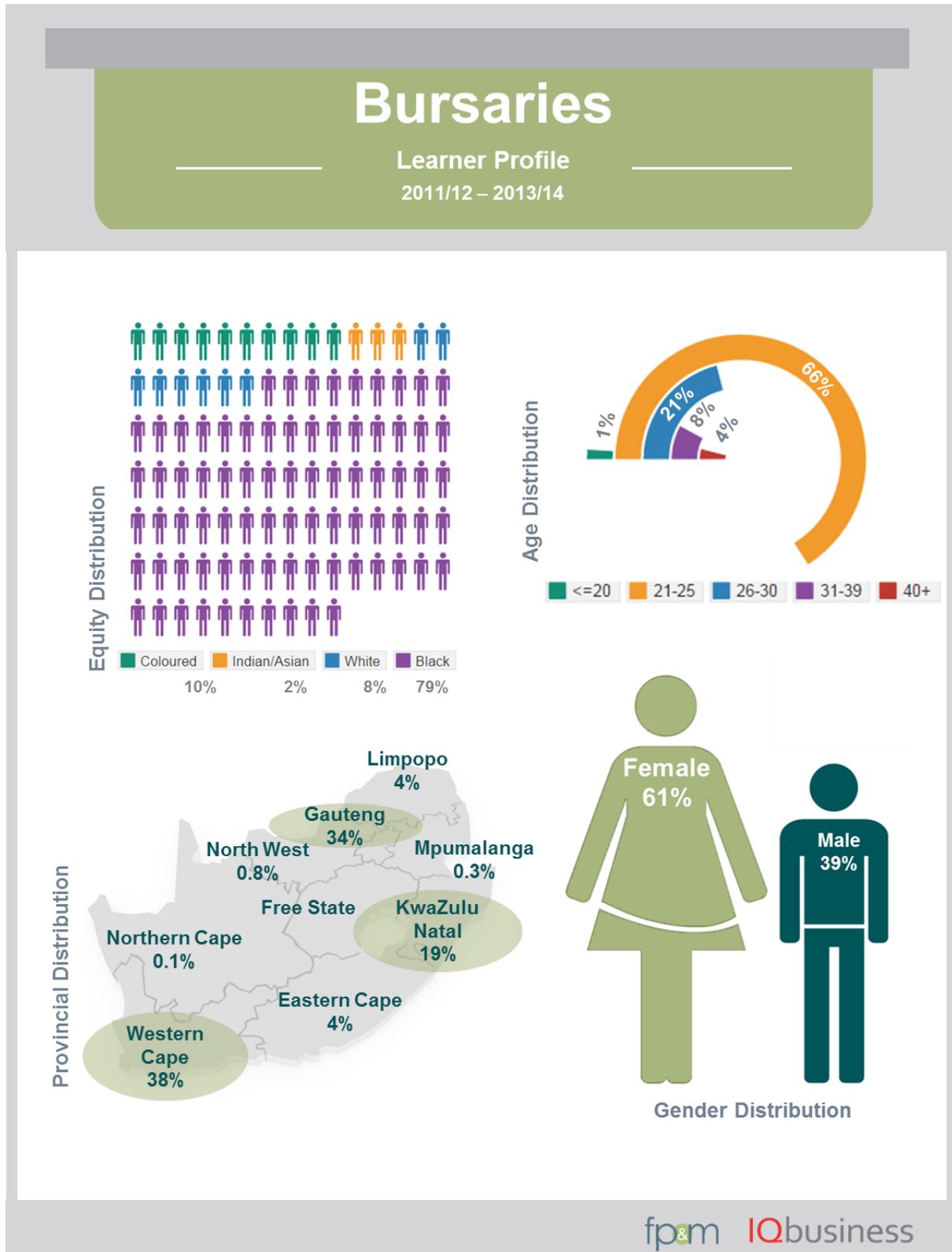


Figure 19: Infographic showing the profile of those enrolled for a bursary

### 3.5.1 Age distribution

Bursaries data included 1 033 learners where 245 learners' province code was unknown – the figure below indicates the distribution excluding the unknown data.

Ages of the learners were calculated from their ID numbers, which provides their age to date, and then adjusted to enrolment date. The figure below is thus the age distribution of learners at their enrolment date. Bursary students tend to be between the ages of 18 and 25.

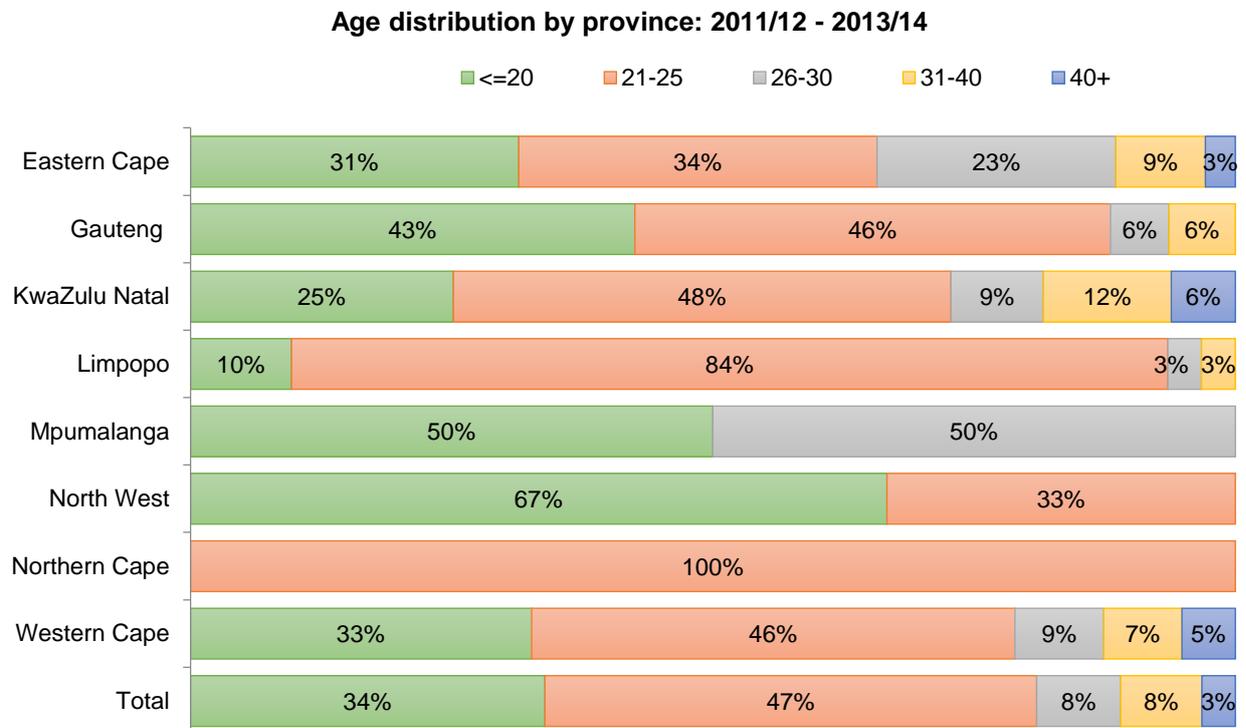


Figure 20: Bursaries - Age distribution by province

The split between male and female bursary students leans slightly towards women (61%). It is only in the older age groups where men dominate (72% of those aged 40+ are male).

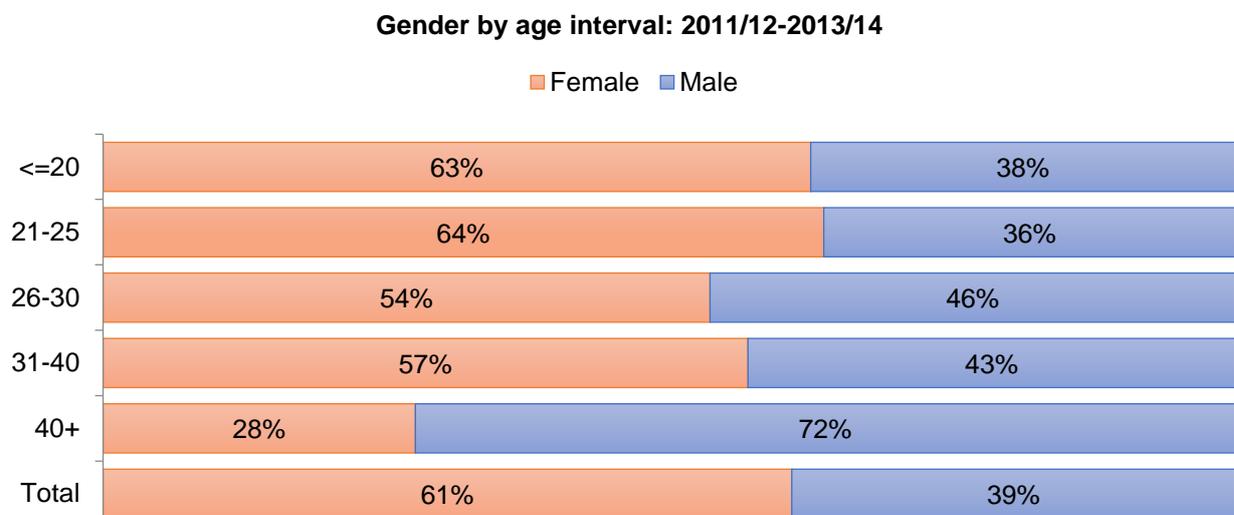


Figure 21: Bursaries - Gender by age interval at enrolment

### 3.5.2 Equity distribution

Bursaries data included 1033 learners where 26 learners' equity code was unknown. 79% of students receiving a bursary are black South Africans.

**Equity distribution of bursary students**

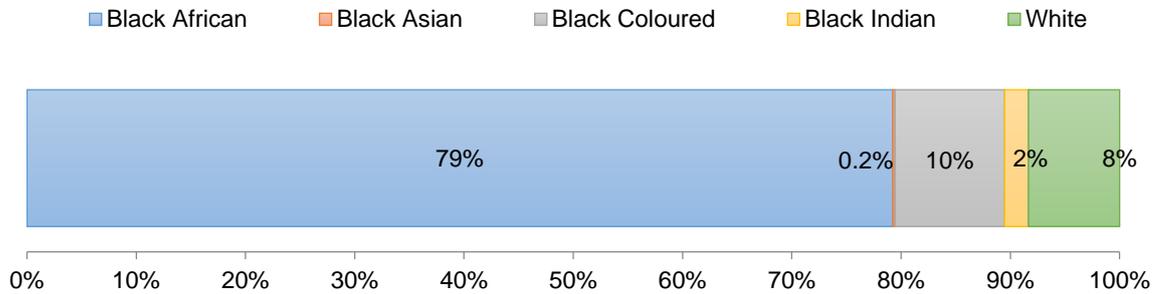


Figure 22: Bursaries – Equity distribution

**Gender by Equity: 2011/12 - 2013/14**

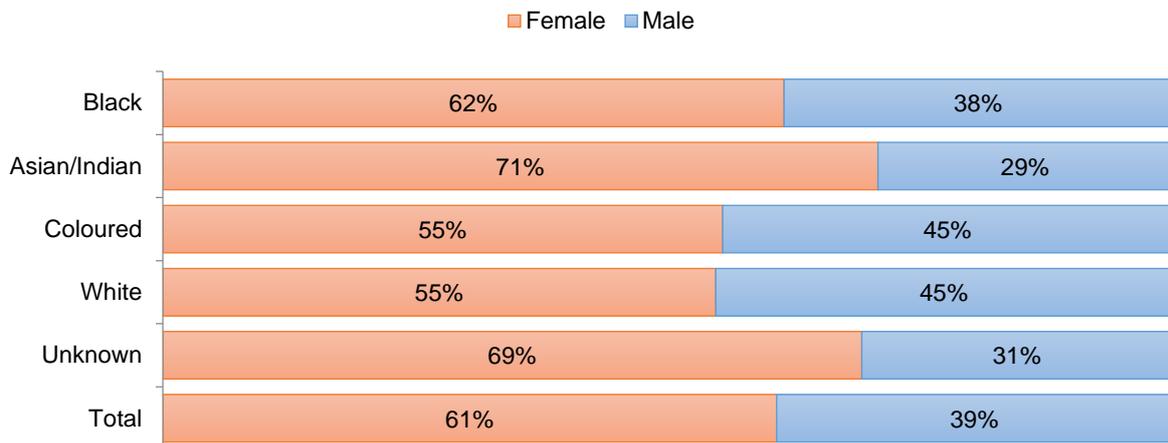


Figure 23: Bursaries - Gender distribution by equity

# Chapter 2

## Geographic Distribution of SETA funded projects

### 1. Objective

The second aim of this study, as outlined by the tender request document, was to understand the geographic distribution of SETA-funded projects. This is important as it would help the SETA evaluate the geographic spread of current interventions, enabling a review with the aim of improving the distribution according to industry needs. This chapter focusses on the geographic distribution of the FP&M SETA funded.

### 2. Methodology

The Commitment register provided by FP&M SETA for the periods 2011/12 to 2013/14 was analysed, in order to get a picture of where the SETA's fund are concentrated. The commitment register contains the records of all applications approved for funding, as well as a record of the Memorandum of Agreement (MOA), showing the agreements in place.

The findings of the analysis of the commitment register are presented in this chapter for each of the three interventions; learnerships, bursaries and apprenticeships and each analysis provides a view of total spending patterns as well as spending patterns per province.

To gain insight into the spending patterns of the SETA, the analysis focused on the board-approved and MOA funding as well as the number of individual companies receiving funding.

### 3. Detailed results of geographic distribution of SETA funded projects

#### 3.1 Summary of geographic distribution of funding

Most of the SETA funded training initiatives are in Gauteng, Kwazulu-Natal and the Western Cape. Over the three financial years of 2011/12 to 2012/13 the FP&M SETA spent R33 199 million in the Western Cape on learnerships, R36 272 million in Gauteng and R43 831 million in KwaZulu-Natal. The most any other province received is R4 201 million for Mpumalanga.

The amount of funding approved for spending on apprenticeships has increased drastically over the last three financial years, from approximately R13 million to R56.2 million. There is, however, a large shortfall between the amount approved by the board and the amount spent (MOA signed). In 2011/12 the shortfall was 52%, 20% in 2012/13 and 25% in 2013/14. This compares unfavourably to the 8% shortfall observed for learnerships.

### 3.2 Geographic distribution of funding for Learnerships

The amount of funding approved for spending on learnerships has increased steadily over the last three financial years, from approximately R44 million to R68.6 million. This is a growth rate of **56%**. The total amount spent, based on employers submitting the MOA, is relatively close to the amount of funding approved by the board. The difference between Board Approval and MOA stayed consistent between 8% and 8.2% since 2011/12.

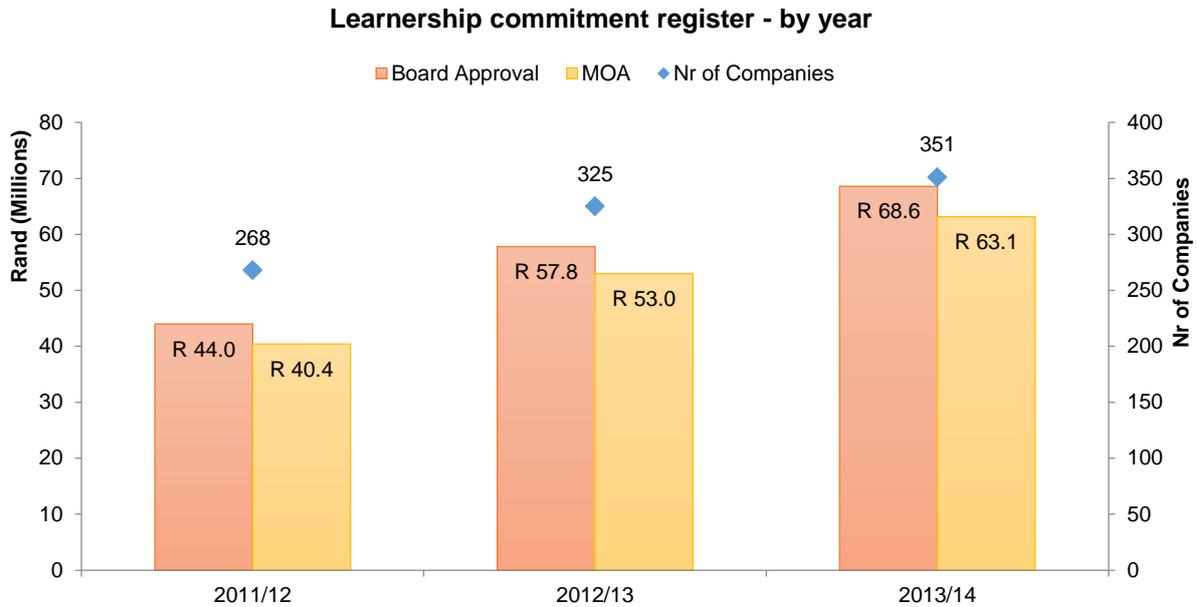


Figure 24: Learnership commitment register by year

The number of companies offering learnerships has increased from 268 to 351 from 2011/12 to 2013/14. The substantial increase from 2011/12 to 2012/13 could, in part be due to the fact the FP&M SETA was only formed in 2011.

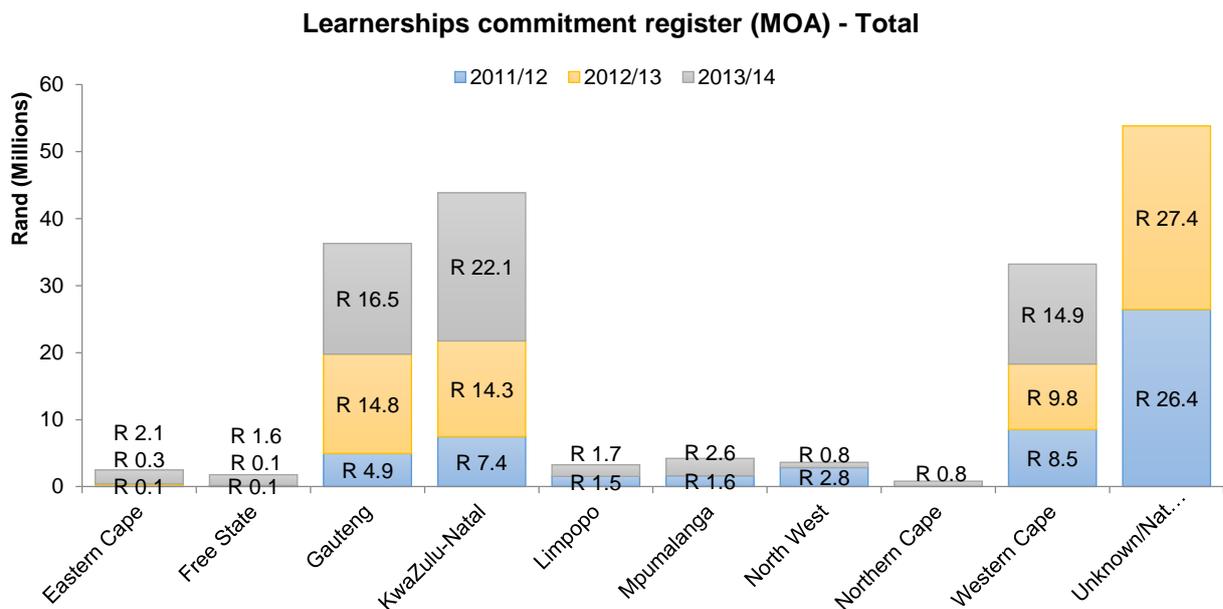
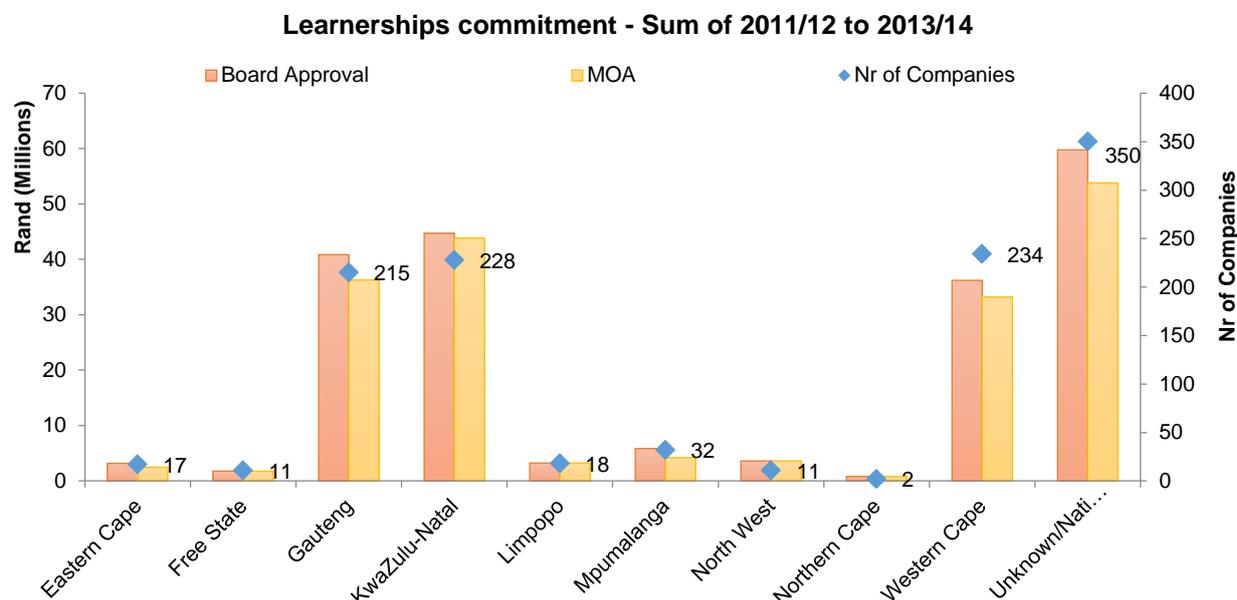


Figure 25: Learnership commitment register total - by province and year

Figure 26 presents the amounts paid out to employers per province over the last three years. In all of the three financial years, the most funding went to companies in KwaZulu-Natal, Gauteng and the Western Cape. The figure shows a large amount of unclassified funding (no provincial information) for 2011/2012 and 2012/13.



	Eastern Cape	Free State	Gauteng	KZN	Limpopo	Mpumalanga	North West	Northern Cape	Western Cape	Unknown /National
<b>Nr of Companies</b>	17	11	215	228	18	32	11	2	234	350
<b>Board Approval R'000</b>	R 3,180	R 1,786	R 40,854	R44,707	R 3,244	R 5,861	R 3,615	R 800	R36,215	R59,766
<b>MOA R'000</b>	R 2,470	R 1,766	R 36,272	R43,831	R 3,244	R 4,201	R 3,615	R 800	R33,199	R53,806

Figure 26: Learnership commitment register total - by province

Figure 26 states the total amount approved and spent (MOA) per province over the three financial years. This figure again illustrates that in total, over the last three years, Gauteng, KwaZulu-Natal and the Western Cape have received a significantly higher amount of funding, corresponding the large number of companies offering training in the provinces. It appears that in the Western Cape, where many smaller clothing and textiles companies operate, more employers apply for smaller amounts. In KwaZulu-Natal, where larger forestry and packaging companies operate, the amount of funding exceeds the number of companies.

Figure 26 also shows that, provinces with a small number of companies are more likely to sign and return the MOA. The MOA amounts for the North West, Free State, Limpopo and the Northern Cape are equivalent to those approved by the board.

### 3.3 Geographic distribution of funding for Apprenticeships

The amount of funding approved for spending on apprenticeships has increased drastically over the last three financial years, from approximately R13 million to R56.2 million. There is a shortfall between the amount approved by the board and the amount spent (MOA signed). In 2011/12 the shortfall was 52%, 20% in 2012/13 and 25% in 2013/14. This compares unfavourably to the 8% shortfall observed for learnerships.

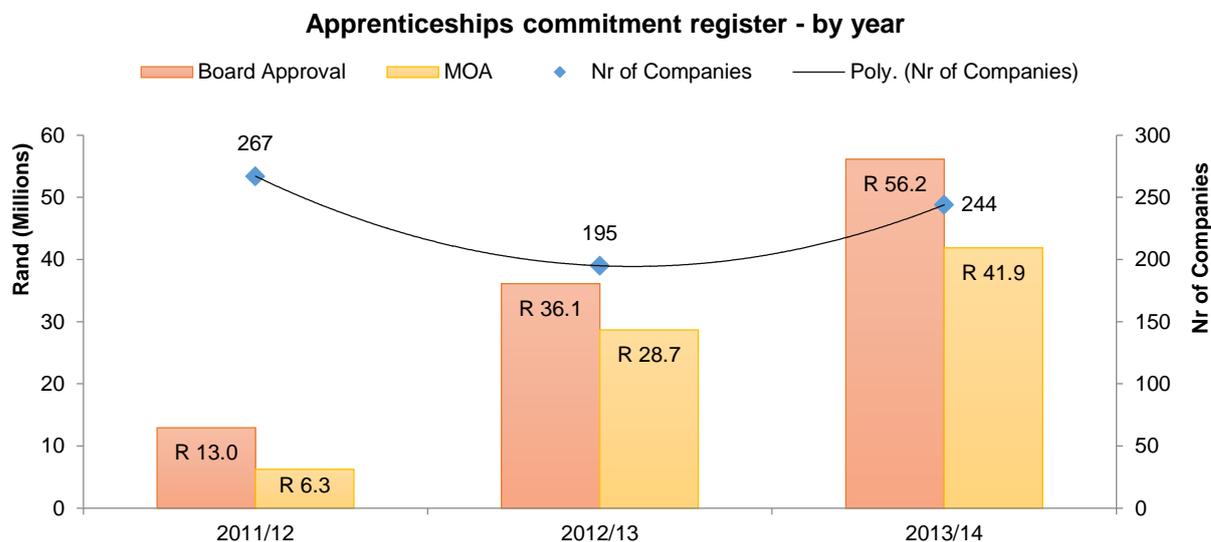


Figure 27: Apprenticeship commitment register by year

Figure 27 shows a decline in the number of companies applying for apprenticeships in 2012/13. However, the number again increased from 195 to 244 in 2013/14. Despite the drop in the number of companies applying for training in 2012/13, more companies were awarded funds to train in this year.

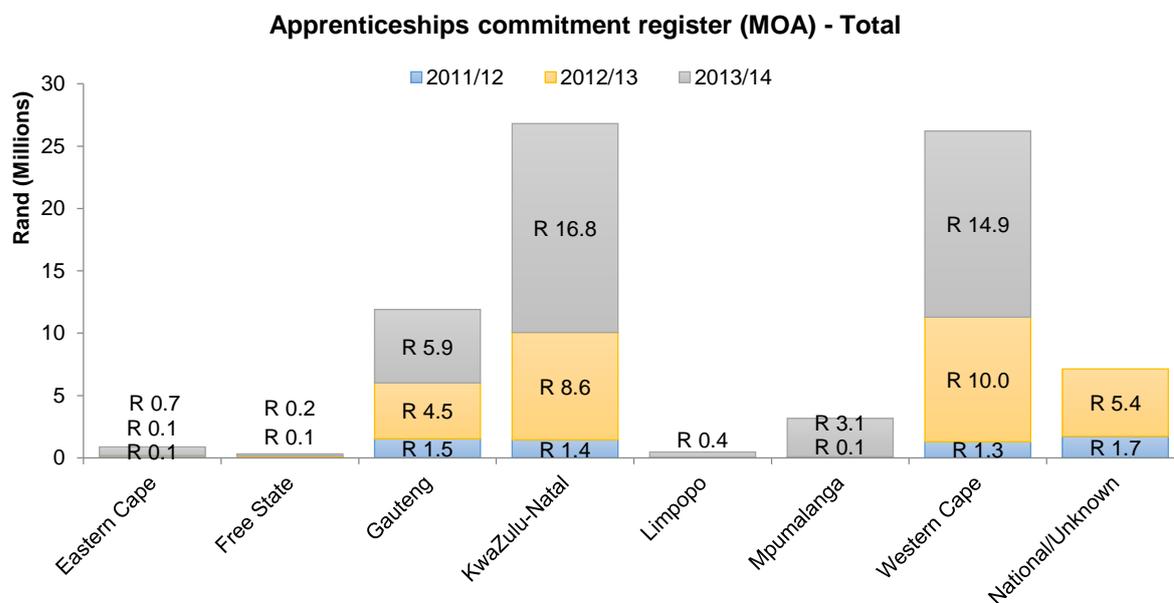
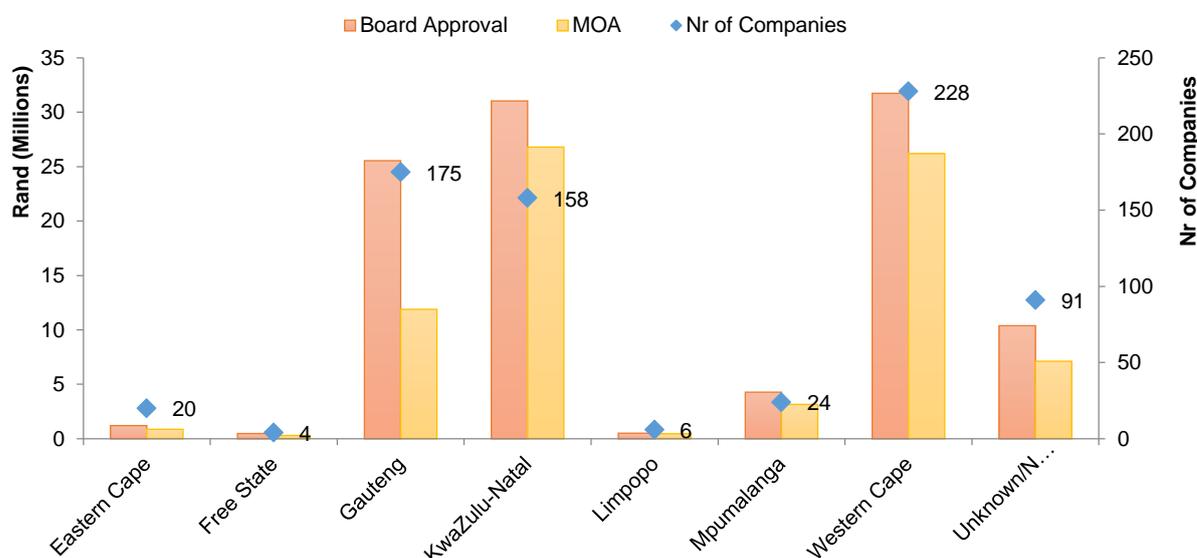


Figure 28: Apprenticeships commitment register - by province and year

The data presented in Figure 28 indicates that, similarly to learnerships, most apprentices are funded in Gauteng, Kwazulu-Natal and the Western Cape.

#### Apprenticeships commitment - Sum of 2011/12 to 2013/14 by province



	Eastern Cape	Free State	Gauteng	KwaZulu-Natal	Limpopo	Mpumalanga	Western Cape	Unknown/National
<b>Nr of Companies</b>	20	4	175	158	6	24	228	91
<b>Board Approval R'000</b>	R 1,215	R 485	R 25,557	R 31,050	R 515	R 4,285	R 31,750	R 10,395
<b>MOA R'000</b>	R 875	R 310	R 11,900	R 26,810	R 465	R 3,160	R 26,210	R 7,130

Figure 29: Apprenticeship commitment register total – by province

As shown in Figure 29, Gauteng saw a particularly large shortfall between the board-approved funding and funding paid out to companies who signed the MOA. Again, KwaZulu-Natal seems to include fewer companies, but include larger companies who receive more funding as they offer more training per company.

### 3.4 Geographic distribution of funding for Bursaries

The amount of funding approved for spending on bursaries increased from 2011/12 to 2012/13, but then declined from 2012/13 to 2013/14. Figure 30 indicates that the number of companies who submit their MOA has increased. The difference between the amount approved and the amount spent, based on employers submitting the MOA, was 24% in 2011/12, 19% in 2012/13 and only 10% in 2013/14.

### Bursary commitment register - by year

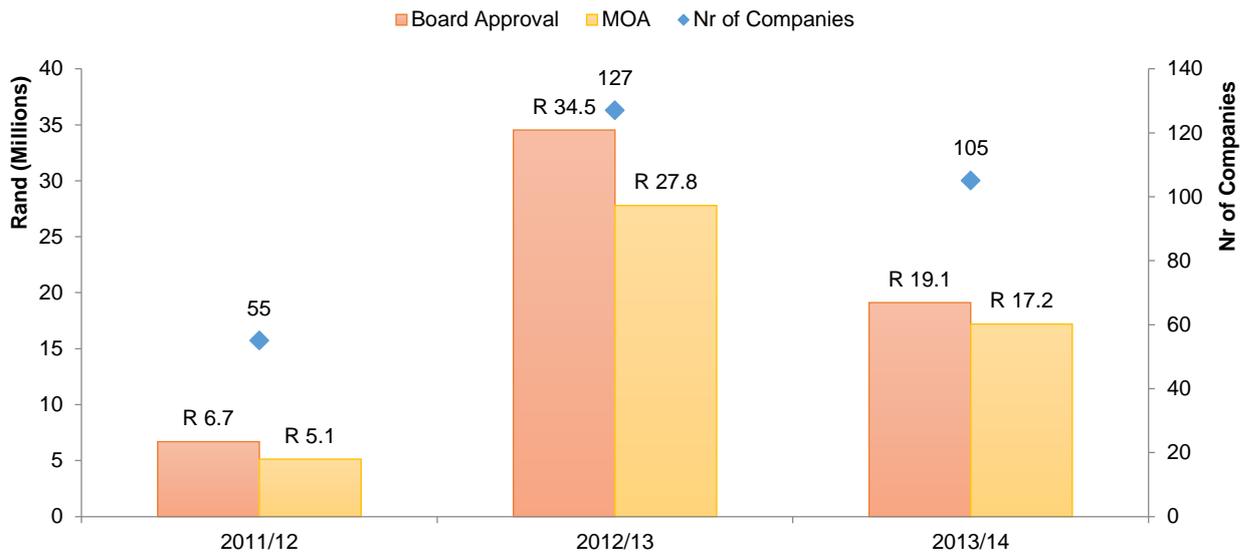


Figure 30: Bursaries commitment register - by year

Figure 31 show that, again, the largest amount of funds was paid out to companies in Gauteng, KwaZulu-Natal and the Western Cape. Some of the funds were unclassified and these could be for the remainder of the provinces, as there are no figures presented for 2011/12 and 2012/13 for these provinces.

### Bursary commitment register (MOA) - Total

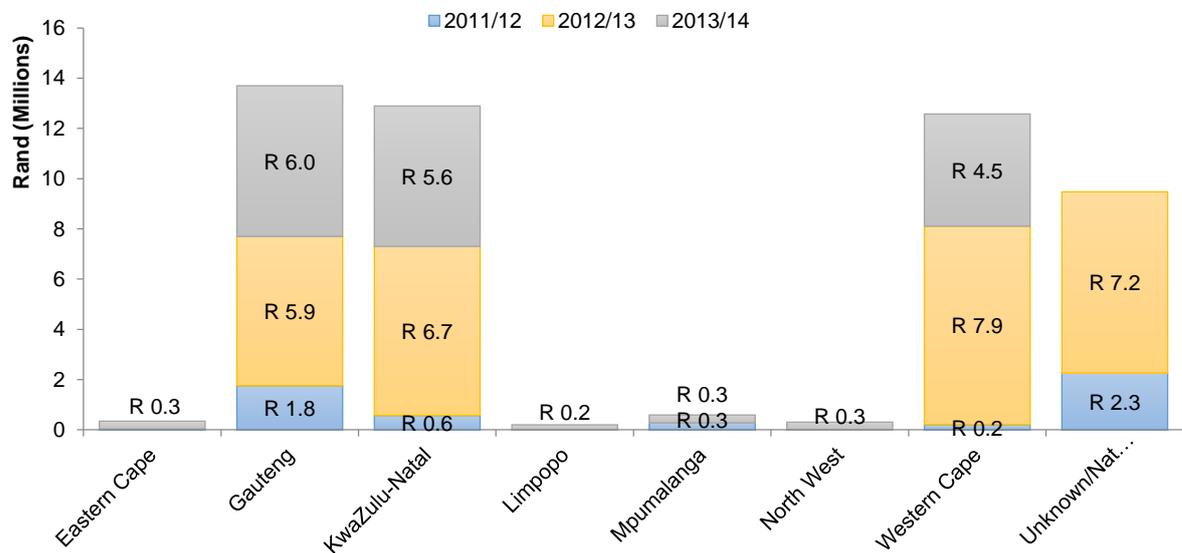
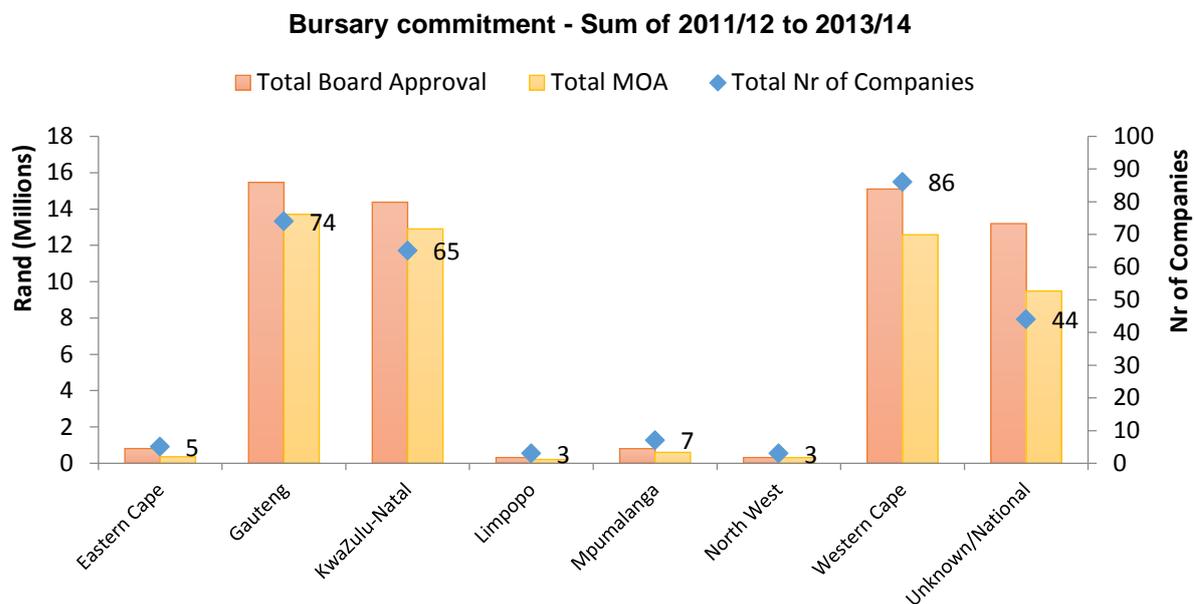


Figure 31: Bursary commitment register - by province and year

Companies from provinces with a smaller number of board approvals were again more likely to submit MOAs compared with those in Gauteng, KZN and especially the Western Cape.



	Eastern Cape	Gauteng	KwaZulu-Natal	Limpopo	Mpumalanga	North West	Western Cape	Unknown/National
<b>Nr of Companies</b>	5	74	65	3	7	3	86	44
<b>Board Approval</b>	R 805	R 15,462	R 14,371	R 310	R 800	R 310	R 15,095	R 13,190
<b>MOA</b>	R 350	R 13,703	R 12,899	R 205	R 595	R 310	R 12,579	R 9,480

Figure 32: Bursaries commitment register total - by province

# Chapter 3

## Impact Assessment of the Learning Interventions

### 1. Objective

This chapter seeks to understand the success of learning interventions in the FP&M sub-sectors, with reference to the value they create for both the learner and the employer. Specific objectives of this chapter include:

- Determining the rate of completion of learnerships and apprenticeships.
- Evaluating the alignment of the skills provided with industry needs.
- Determining the impact of the training initiatives on the student, with special reference to understanding the absorption of learners into the labour market and the economic value that is created.
- Determining the main impact of these training interventions on the employers in the FP&M subsectors.
- Highlighting challenges and making suggestions for improvements.

### 2. Methodology

To address the above objectives, primary research was deemed necessary, as no database analysis or secondary research would be able to comprehensively shed light on these issues. An extensive research design was developed, which incorporated both qualitative and quantitative methodologies to collect data from learners and employers / training providers. This section provides a full description of the methodologies employed in collecting the opinions of learners and employers. The section below firstly outlines the research design used to collect information from learners.

#### 2.1 Primary research design to collect the opinions of learners

The study focused on three groups of learners, those from learnerships, apprenticeships and bursaries. Contact details were available for some of learnership and apprenticeship students who enrolled during the last few years yet no contact details were available for bursary students and they could not be contacted as part of this study.

##### 2.1.1 Objectives of the learner surveys

The learner surveys had the following specific questions:

- What is the status of the learnership or apprenticeship - completed, currently registered or terminated?
- Why do the employed and the unemployed decide to pursue learnerships or apprenticeships?
- What are the reasons for discontinuing or terminating learnerships and apprenticeships?
- Have unemployed learners been absorbed into the market place after completing their studies, either directly through the learnership or later by finding other related employment?
- What is the impact that the learnership or apprenticeship has had on lives of the learners?
- What future changes do these learners anticipate as a result of the learnership?

IQ Business and the FP&M SETA collaborated to design a survey around these main objectives.

### **2.1.2 Population and sample for the learners surveys**

The population for this study is defined as: *“All students who are listed on the MIS database as having entered a learnership during the period of 2010/2012 – 2013/2014 and apprentices having entered during the period 2007/08 – 2013/14”.*

The MIS database contained **5 005** learnership records for this period, as well as **1 202** apprenticeship records. Approximately 24% of these student records contained telephone numbers, and this was considered to be the sample frame for the study. All of these learners were contacted for the purposes of the study. Contacting all enrolled students, for whom contact details exist, effectively means that no sampling procedures were applied to the sample frame. Contact details considered valid for the study could be a home telephone number, a cell phone number or a work phone number.

Due to refusals, and out of date contact details, not all available students took part in the study, and a final response of 81 completed surveys was obtained from the apprenticeships survey, and 303 completed surveys from the learnerships survey. This represents a 28% response rate for apprenticeships and 25% for learnerships. This response rate is in line, or even slightly better than, the approximate 20% found in a similar study by the HSRC, using the MERSETA database (HSRC, 2008).

### **2.1.3 Data collection for the learner surveys**

The quantitative data for learnerships and apprenticeships were collected using telephone surveys. Trained interviewers contacted students telephonically and completed the survey with them over the phone. Fieldwork took place during October 2014 and the surveys took approximately ten minutes per student to complete.

### **2.1.4 Data analysis of the learner surveys**

The data from the survey questionnaires was captured into Excel, and then transferred into SPSS. SPSS was used to analyse the data, and this report presents a summary the key findings from the surveys.

The sampling process for the quantitative surveys could not be described as purely random. Only 24% of the population had contact details and all of these numbers were contacted, therefore no further sampling took place. There is, however, a close correlation between the sample's demographic profile and that of the population, as pointed out in the detailed survey reports namely *“Voice of the Learner”* and *“Voice of the Apprentice”*. The population demographics are presented in Chapter 1 of this document. A close correlation assists in establishing the validity and reliability of the survey results where the premise is that, should a close correlation exist between known data such as population demographic data and survey data, one can most likely generalise other survey findings to the population with a greater degree of confidence.

### **2.1.5 Methodology for the qualitative focus groups**

IQ Business conducted focus groups with the learners who completed learnership programmes funded by the FP&M SETA between 2011 and 2014. The purpose of conducting the focus groups was to probe issues relating to the impact of learnerships on students. The focus groups were also conducted prior to the telephone survey and therefore could assist in highlighting issues for inclusion in the quantitative survey. The focus groups were held in Johannesburg in September 2014.

The issues explored during the focus groups covered areas such as challenges faced by learners during the course of their learnership programme, employment opportunities and the benefits that learners obtained as a result of completing the learnership programme.

Non-probability convenience sampling was used to recruit learners for the focus groups. The focus groups were held in Johannesburg and only local students would be able to attend. Given the timeframe of the study, only five participants were able to attend the focus groups.

## **2.2 Primary research to collect the opinions of employers**

### **2.2.1 Objectives of the employer survey**

Data collected from employers took the form of qualitative in-depth interviews, using semi-structured questions, as well as an online survey. Specific objectives that were addressed in the research with employers include:

- Measuring the absorption rates of students from learnerships and apprenticeships after the completion of their training.
- Determining the value that employers find in learnerships, apprenticeships and bursaries, as well as the benefits to the learners as perceived by employers.
- Measuring perceptions around the sufficiency of funding by the SETA, as well as satisfaction with administrative elements.
- Understanding general training practices, such as working hours and stipends paid.
- Gauging the future of employment and trends that will influence employment levels.

### **2.2.2 Population and sampling for employer survey**

The population for this study is defined as: *“All employers who pay levies to the FP&M SETA and who have submitted a Workplace Skills Plan (WSP) during the last three years”*

Once a WSP is submitted, the contact details for the appropriate contact person in the employer organisation is recorded, and this list, which contains email addresses, was considered as the sample frame for the study. The Communication and Marketing department of the FP&M provided a list of emails to which the survey could be sent. A final sample of 259 employers was achieved. This represents a 1% response of all levy-paying companies and 7% of all contacted. However, the response rate among those offering training was much higher. For example, the approximate response rate among employers who offer apprenticeships was 28%.

### **2.2.3 Data collection for employer survey**

Three surveys were created: one for learnerships, one for bursaries and one for apprenticeships. Employers could choose to complete these based on the training that they offer. For those not offering training, a separate set of questions were presented. The surveys were programmed using online survey software. A single survey link was emailed to all respondents, but depending on the learning interventions that they chose to rate, employers would have answered the learnership survey, and/or bursary survey, or the apprenticeship survey. In an attempt to limit the length of the survey, employers who offer apprenticeships and other learning interventions, were presented only with the apprenticeship survey.

Once an employer clicked on the link, they would complete the relevant survey online, and all data was automatically captured by the survey software.

### 2.2.4 Data Analysis

The data was exported from the survey system directly to the analysis software SPSS. SPSS is an analysis programme from IBM. The descriptive statistics were computed using SPSS and are presented in this report through the use of tables and graphs.

### 2.3 Methodology for the in-depth qualitative interviews

Qualitative personal discussions were conducted with ten employers. A list of employers and training providers, supplied by the FP&M SETA, were stratified according to sector, and a sample for the interviews was then randomly chosen from within each sector to ensure a spread of interviews across different subsectors.

Respondents were approached telephonically to participate in the study and a formal letter explaining the purpose was emailed to those requesting more information. Interviews were conducted using a combination of telephone and face-to-face interviews.

The interviews were summarised according to main themes and the key results are incorporated into this report. A detailed write-up of the interviews is presented in the "Voice of the Employer".

## 3. Detailed results of impact study

### 3.1 Completion rates

*Learnership completion rates are estimated at between 70% and 80%.*

Table 2 below provides a breakdown of the percentage learnership students marked as "Achieved" in the MIS database, which indicates that they have passed the learnership. The completion rate is split by financial year, however, it needs to be noted that this is the financial year in which a learner entered into the learnership. Students who entered the learnership in 2010/11 might only have graduated in 2011/12 but their success rate is presented relative to the year they entered. As such, those entering in 2013/14 would most probably not have completed by the time this study was conducted and no results can be presented for this year.

Completion rates for the 2010/11 and 2011/12 intake are at 66% to 68%, while in 2012/13 this dropped to 44%. It is possible that data imported into the new MIS system, collected prior to its creation, is more accurate than recent data. With the new MIS system, employers are requested to update the completion status of learners themselves, and an estimated 25% of employers did not do so in 2012 or 2013 when these learners completed.

Table 2: Completion rates of learners as recorded in MIS

	2010/2011	2011/2012	2012/2013	Total
<b>Achieved</b>	66%	68%	44%	58%
<b>Enrolled</b>	34%	32%	56%	42%

The survey data collected by IQ Business from learnership students, show that 81% of learners who started a course, completed the course they enrolled for, as opposed to terminating their studies (excluding those still studying). Considering the pass rates of 68% in 2011/12 and the pass rate claimed in the survey, IQ Business assumes therefore, that it is fair to approximate a pass rate of between 70% and 80%.

The completion rate of an apprenticeship seems to be approximately 30% based on the MIS data. Due to the long training period of an apprentice (three to four years), those entering apprenticeships

in 2011/12 or later would not yet show as completed, as most would still be studying. Therefore, the completion dates are only provided for these years. Many of those entering during 2010/11 would, however, have been expected to have completed by the time the data was analysed, and a 7% completion rate again reflects a problem in capturing this information on MIS, rather than a concern relating to a sudden drop in pass rate. The IQ Business survey conducted among apprentices showed a 66% completion rate.

Table 3: Completion rates of apprentices as recorded in MIS

	2007/2008	2008/2009	2009/2010	2010/2011	Total
<b>Achieved</b>	33%	29%	31%	7%	25%
<b>Enrolled</b>	67%	71%	69%	93%	75%

### 3.2 Alignment of skills to needs

Most employers claim to enrol employees or unemployed applicants who already have a matric qualification, and the learnership and apprenticeship surveys confirm that most learnership students have Matric / N3 (73%) or Standard 9 / Grade 11 (15%), while 90% of apprentices have Matric / N3 or a diploma. However, on entering the learnership programme, the basic reading, writing and mathematics skills of students were found to be lacking. The qualitative employer interviews and online survey results highlighted that a matric certificate does not guarantee a sufficient level of basic education.

This study has found that learnerships do address this basic skills gap identified. Multiple employers interviewed claim that learnership graduates show improved basic education and other inter-personal skills. In addition to up-skilling students in terms of basic reading, writing and maths skills, learnerships and apprenticeships deliver employees who have the right skills to start in the positions that they were trained for. 97% of employers agree that apprentices have the right skills for their positions, and 75% of employers agree the same for those completing learnerships.

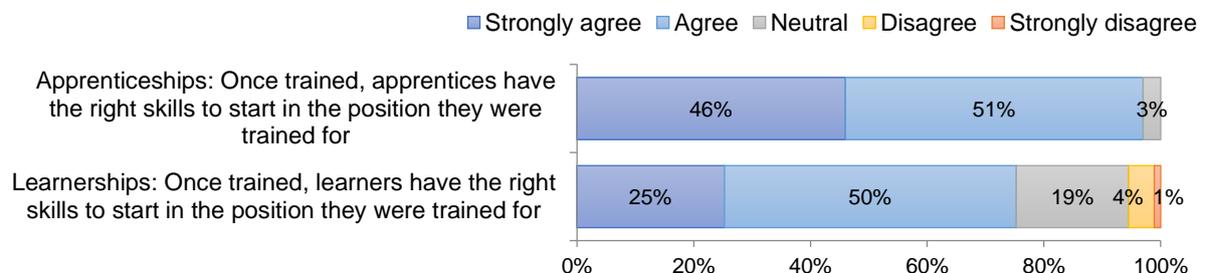


Figure 33: Employers who offer apprenticeships and learnerships rating the skills of graduate learners

The theory training component of learnerships is relevant and relates to the practical training that they receive. This helps to ensure that learners have the right skills when they enter the market.

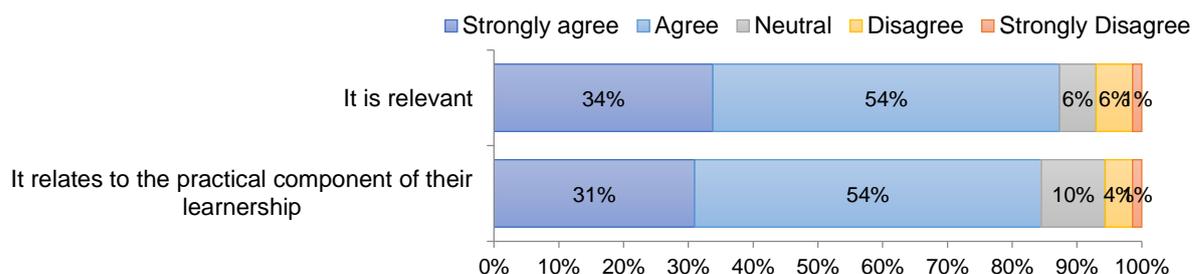


Figure 34: Employers' rating of theory component of learnerships

While the training matches the skills and needs of employers who do offer training, 30% of employers who do not offer any training claim that it is, in some part, due to the fact that there is no relevant training available.

Table 4 indicates the percentage of employers surveyed who do not offer any of the relevant training initiatives, as well as the main reasons claimed for failing to offer training. Paper and Pulp, Printing, Print Media, Packaging, Publishing and General Goods employers, were most likely to claim a lack of relevant training as a reason for not offering training.

Table 4: Sectors not offering any learnerships, apprenticeships or bursaries

Sector	% not offering learning interventions	Main reasons
Forestry	64%	Don't know how to go about this
Paper and Pulp	11%	<b>No relevant training courses</b>
Printing	40%	<b>No relevant training courses</b> , Company is too small, Don't know how to go about this
Print media	54%	<b>No relevant training courses</b> , Company is too small
Publishing	80%	Don't know how to go about this, <b>No relevant training courses</b>
Leather	67%	<b>No relevant training courses</b> , Company is too small
Clothing	36%	Poor experience working with SETA
Textiles	39%	Don't know how to go about this, Poor experience working with SETA
Footwear	40%	Don't know how to go about this, funding is not enough
Packaging	40%	Don't know how to go about this, <b>No relevant training courses</b>
Wood products	38%	Don't know how to go about this
Furniture	48%	Have not thought about it yet, don't know how to go about this
Other / General	75%	<b>There are no relevant training courses</b> , The process is cumbersome

While some employers might simply be unaware of the training options available to them, a review of the training courses offered (see Figures 2 – 4 in Chapter1) also points to the fact that Publishing, Print Media and Leather employers have no or few options available to them. It might be that some sectors will never require the level of training offered at learnerships or apprenticeship, as confirmed in an interview with McMillian Publishing, where they highlighted a need for highly skilled employees and claimed that learnerships hold less value to them.

Verbatim comments collected in the online survey to employers highlight some specific training shortages:

*“We do offer in-house on-the-job learnerships for several specific skills, but there is no support to train **machinists**. Machinists used to be trained in large numbers and now there is an increasing shortage, which results in higher levels of automation, fewer jobs and an ageing skilled workforce.”*

**“Mechanics, cutters, supervisors, production management”**

“I would just like to see more or even be made aware of learnerships in the Printing industry. **Large format, Digital and Screen printing.** We have not come across any learnerships for this part of the sector.”

“Yes we do, we have been trying to get SETA to assist us with accreditation - we are a unique industry. (**Garment Knitting**) skills are scarce and critical and there is no tertiary institution whereby we can have training done, so we do most of our training in-house but this does not get recognised, as we are not accredited.”

“Upholstery training is very difficult to get a learner on a skills programme for.”

Some employers mentioned that they do not have a training need as such, but a need for assessors and moderators.

“Not training needs but assessment needs yes.”

“Our company still lacks when it comes to assessing and moderation in trainings. Our assessors are still learning, so at times they don’t fill in the detail well. How do we make sure that an assessor, though they’d be far at that particular time, does the right thing.”

The figure below provides a summary of the relevancy of training offered to different sectors by summarising the number of learners per sector, the number of courses offered and the percentage contribution of each sector to levies.

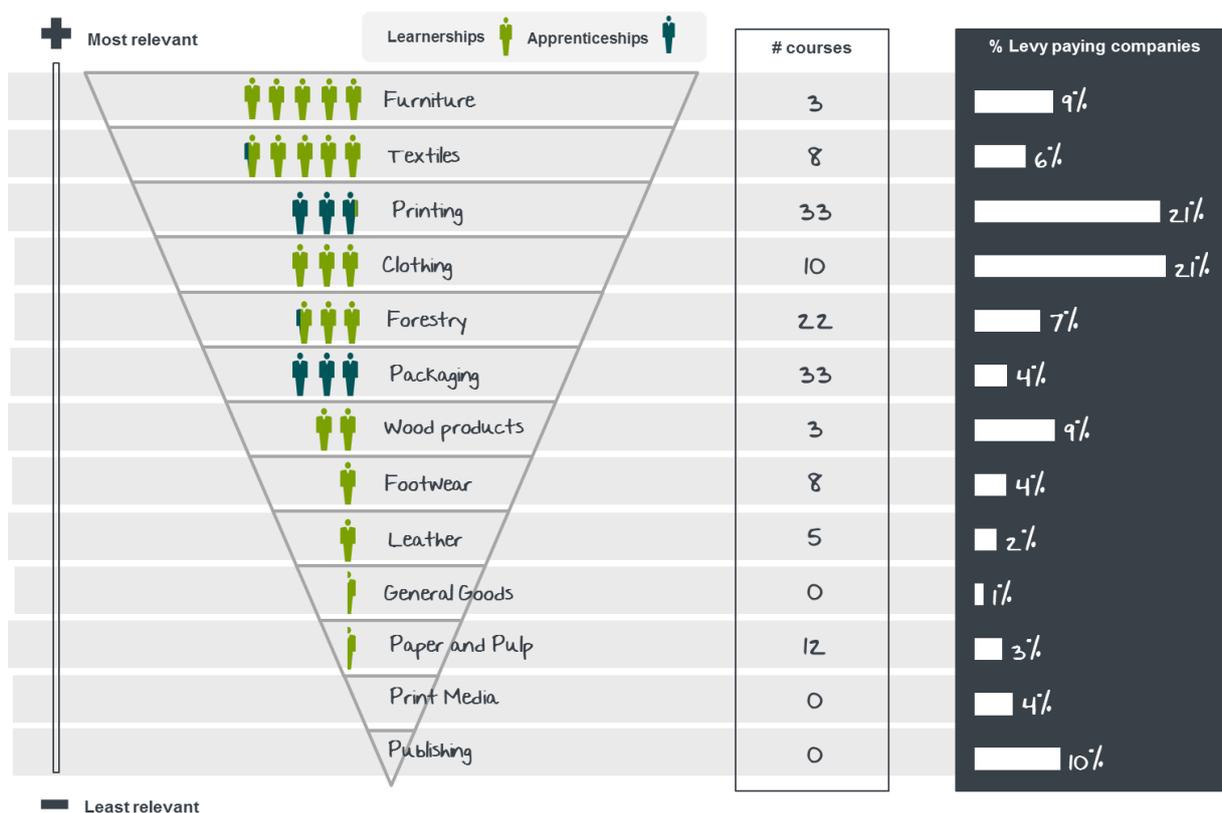


Figure 35: Summary relevance of training to FP&M subsectors

### 3.3 The impact of learning interventions on learners

Through the surveys with learners and employers, it has become apparent that these learning interventions have a significant impact on the lives of learners and also contribute positively to employers. While there are certain challenges to overcome, and suggestions for improvements, most

agree that these are worthwhile initiatives to undertake. One employer summarises the value of tenacity:

*“Some of them don't make it because they are not patient to allow some time before they see results. Some come in with very high expectations and become easily despondent. Many have, however, been successful and have been appointed permanently. It has been an interesting journey thus far and every year is not the same, bringing its own challenges and triumphs.”*

### 3.3.1 Creating employment for the unemployed

Unemployment among those unemployed on entering the learnership programme dropped from 72% to 44%. Directly after completion, 27% of the previously unemployed learnership students found employment, while the rest who were employed at the time of the survey found work within a few months. Figure 36 shows the impact of the learnership on the unemployed.

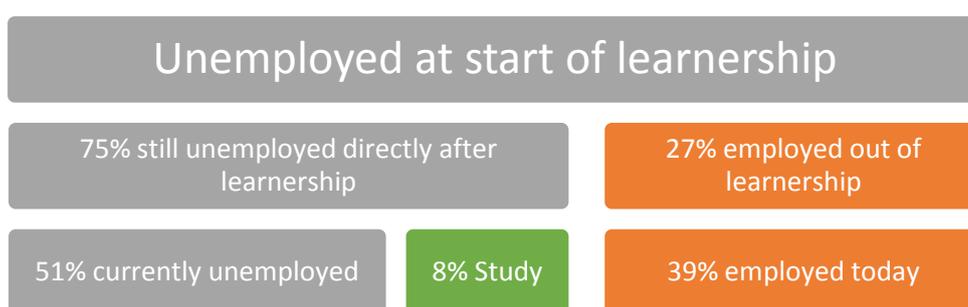


Figure 36: Employment created by learnerships for the unemployed

A view by sector highlights that the Clothing sector has been most successful in absorbing unemployed learners followed by the Textiles and Wood Product sectors. The Furniture and Forestry sectors tend to train their own employees and therefore show a small rise in net employment.

Table 5: Employment increase by sector (based on those who completed a learnership):

	Clothing	Forestry	Furniture	Textiles	Wood Products
Currently employed (after training)	70%	44%	26%	61%	31%
Employed at the start	35%	42%	10%	37%	7%
% employment increase	35%	2%	16%	24%	24%

Note: Sector comparisons are only provided for sectors with sufficient base sizes in the learnership survey. See the “Voice of the Learner” report for a full explanation.

Not only do learnerships provide the unemployed with jobs, but they also improve the employability of a graduate student, leading to improved chances of future employment for those who have not yet found a job. Learnerships especially improve learners’ knowledge of the industry, which in turn improves their employability. 73% of employers in the learnership survey agree with this statement. Qualitative interviews also highlight that this new knowledge engenders pride in learners’ jobs, as they understand their role in the sector.

The employment statistics for apprenticeships are even more impressive with 71% of the unemployed, who graduated from apprenticeship programmes, having found employment at the time of the survey. 92% of the respondents, who were employed at the time of entering the apprenticeship programme, remained employed. As with learnerships, some sectors prefer enrolling employed individuals in training, while others take in more unemployed applicants. Table 6 shows that the

Printing sector has been successful in creating jobs for the unemployed, and the Packaging sector at developing its own employees.

Table 6: Employment increase by sector (based on those who completed the apprenticeship)

	Printing	Packaging
<b>Currently employed (after)</b>	85%	82%
<b>Employed at the start (before)</b>	56%	82%
<b>% employment increase</b>	+29%	0%



From the employer survey, it was identified that a third of employers offered 100% of their recent learnership graduates permanent positions, with an additional 27% offering at least 75% of learners a position, either permanent or part-time. Apprenticeships again show even better employment figures, with 63% of employers offering all apprentices permanent positions. Limited positions and tough economic conditions are often to blame for not being able to offer all graduates positions. Employers seem dedicated to finding permanent positions for students, especially for apprentices.

*“If a vacancy is available, first option is permanent position. If no vacancy, we try our best to offer a fixed term contract to accommodate the learner” and “We fill when vacancies are available, otherwise we put them on fixed term contracts*

These statistics indicate that learnerships, and especially apprenticeships, are making an impact on unemployment.

*“Learnership is the best tool that can help learner to position themselves for a better future; once they enrol into learnership they feel pride of achieving a great step in their life. It brings hope to the hopeless. I personally want this learnership programme in my school of skills.”*

### 3.3.2 Increased earnings potential

The survey results have shown that the earnings of a learner increases on completion of training, with even greater increases to be expected once more work experience has been gained. On average, employees earned R1 400 more per month after completion of the learnership. The average salaries for trained learners differ across the sectors, with some higher or lower than others. The salary of a trained learner is, however, always higher than the minimum wage. For example, in Forestry, the minimum wage is around R2 420 per month, and a trained learner earns nearly double this (on average about R4 000 per month). Income is also dependent on job role, with machinery operators and drivers earning on average R5 128 per month, and clerical and admin workers earning similarly at R5 275. Labourers earn less, with an average salary of R3 686.

Table 7: Average salary and income by sector

	Average Salary	Average increase
<b>Clothing</b>	R4 594	R1 573
<b>Forestry</b>	R3 977	R1 061
<b>Furniture</b>	R3 671	R620
<b>Textiles</b>	R4 234	R1 822

Note: Sector comparisons are only provided for sectors with sufficient base sizes in the learnership survey. See the “Voice of the Learner” report for a full explanation

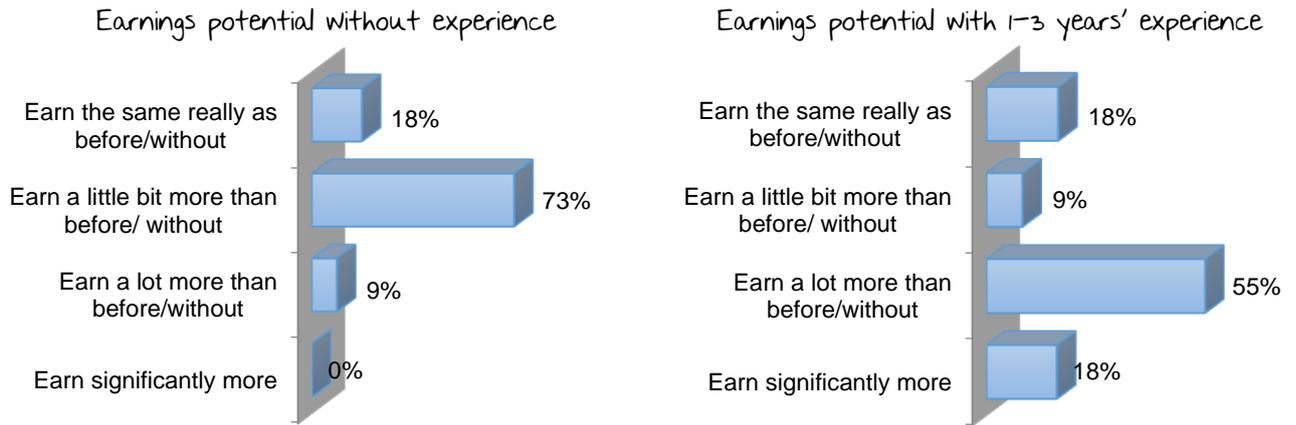


Figure 37: Employer survey - Earnings potential for new hires, as well as experienced learners with a learnership certificate

73% of employers agree that with no experience, having only just completed a learnership, a learner can expect to see *only a small increase* in salary. However, with as little as one to three years' experience, their earnings potential would have picked up and they would be earning a significantly more than someone with similar experience but with no learnership.

Apprentices expect to earn more after the completion of their training. 51% of apprentices strongly agree, and a further 38% agree, that they can earn more with an apprenticeship than without one. Indeed, it was found that after completing the apprenticeship, employed individuals earn on average R9 810.26 per month (5% trimmed mean). This is more than double the R4 345.43 that they earned on average per month prior to obtaining the formal apprenticeship qualification. The figure below shows the difference between starting salary and end salary for all 17 respondents employed both before and after completion of the apprenticeship (and those willing to share salary details). While two respondents reported no increase in salary, the rest all received an increase of R2 000 (minimum) to R11 800 (maximum).

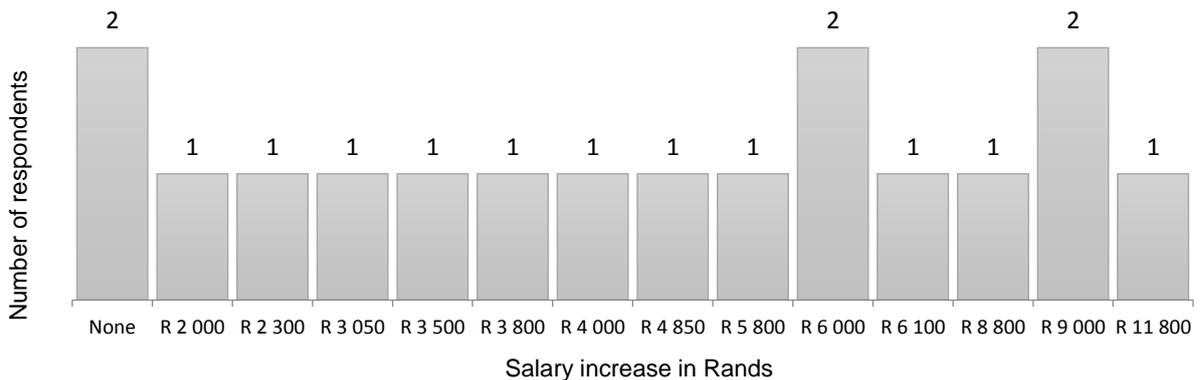


Figure 38: Increase in income from before to after completing the apprenticeship

### 3.3.3 Improving inter-personal skills

Learnership graduates who took part in the focus groups expressed their gratitude for the improved soft skills, financial skills, attitude towards life, confidence and self-esteem that they saw upon completing their learnership. Participants believe that it is these changes that enabled them to stand a better chance at getting another job; especially their improved self-esteem, confidence and communication skills.

Respondent from focus group: *“I’d give my improved communication skills 60% as they helped me to build a relationship with my manger and get a job and also helped me to grow as a person.”*

Both the learner and employer surveys also confirm that nearly all students have benefited from improved communication skills, improved self-esteem and increased confidence.

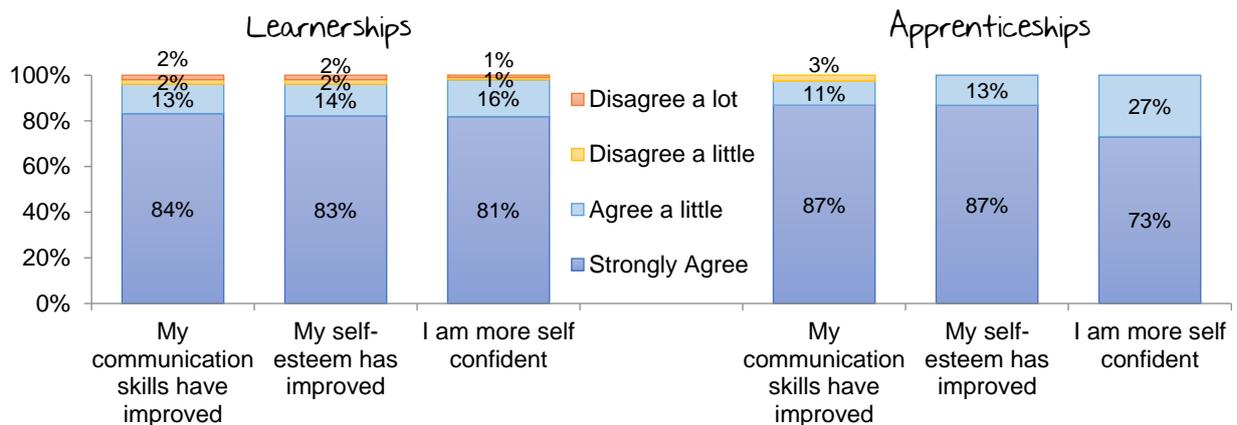


Figure 39: Learner surveys – Improved communication skills

Employers from the qualitative interviews highlighted that students come back more confident in general. Employers provide the following anecdotal evidence regarding training interventions:

*“They are valuable and effective. They change lives and engender pride. They are working very well in the company in the current format”*

*“Learnerships contribute to the personal development of each learner and certainly assist new entrants into employment.”*

### 3.3.4 Improving chances of promotion and career advancement

Employees with a learnership or apprenticeship would be more eligible for promotion in the future. 66% of employers agree that an employee with a learnership will be more likely to be considered for promotion than an employee without a learnership. Employers interviewed during the qualitative phase of the research, also mention that learners are likely to move into managerial positions, not always due to the increased skills, but sometimes due to their demonstrated willingness to learn.

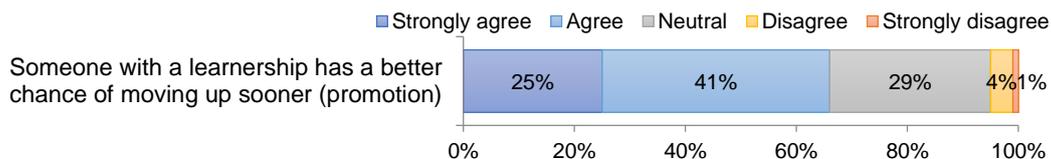


Figure 40: Employer survey - Improved chances of promotion according of learnership graduates

Despite having completed their training only in the last two to three years, 28% of employed apprentices and 30% of employed learners, already report having received a promotion or career advancement that can be ascribed to their training.

### 3.3.5 Increased interest in future study and further improvement

Both apprenticeship and learnership students show an improved motivation towards future study. The training initiatives have created a strong motivation in the majority of students to consider studying further; 74% of apprentices strongly agree and 79% of learnership students strongly agree. The majority of learners feel motivated to do short skills courses, and apprentices in particular are considering university degrees.

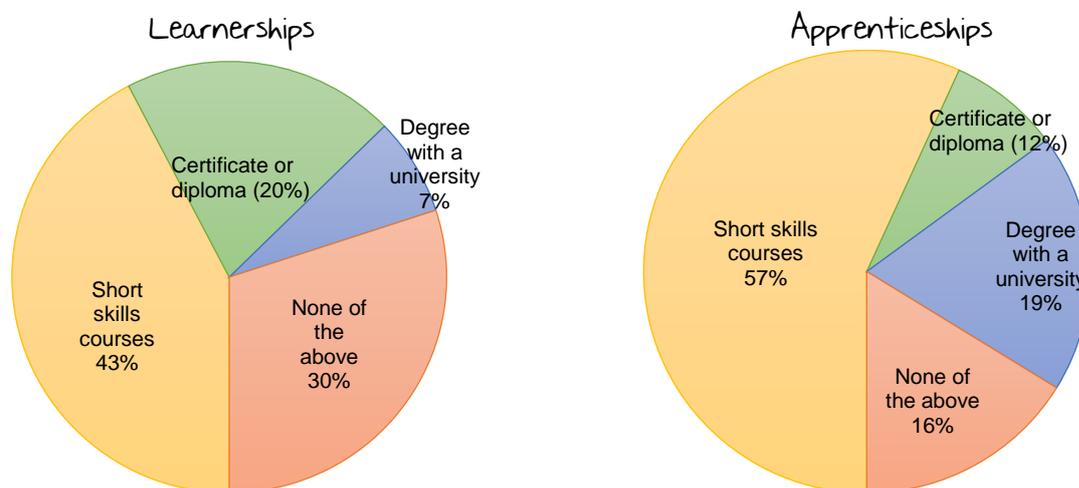


Figure 41: Learner Surveys: Impact of training initiatives on the motivation to further studies

Comments from the focus groups also highlight the importance of learnerships in creating motivation for future study:

*"It motivated me to rewrite matric and also proved that I am capable of achieving anything"*

*"It also did the same to me, I did my business management course and saw that I was just lazy before the learnership"*

### 3.3.6 Providing the disadvantaged with access to training

78% of employers from the learnership survey feel that one of the main advantages of the learnership training programme is that it provides opportunities for people who would have had no other way of accessing training.

*"The Learnerships Training Programme is an opportunity for those who want to develop a skill in our Clothing Sector and want to develop further in other positions within the Clothing Sector, but also for the individual who can't afford to study any further or the academic dropouts that can develop themselves on a learnership programme."*

During the focus groups, participants indicated that if they had not taken the learnership opportunity, they would have not achieved their personal goals and would have perhaps still been looking for work that is not related to a particular career or still stuck in an underpaying job.

### 3.3.7 Learning skills that can assist in self-employment

Entrepreneurial activity does not appear to be reaching its full potential, with only 4% of apprentices and 2% of learnership graduates moving into self-employment after completing their training. Comments from the focus groups, however, provide some insight into how skills obtained on the learnership could potentially help unemployed learners earn an income. One participant made matric dance dresses for her local community, while another fixes computers. Many could therefore be involved in activities to earn extra money.

### 3.4 The impact of learning interventions on employers

#### 3.4.1 Well-trained employees that are multi-skilled and efficient

In section 3.2 of this chapter, which discusses the alignment of skills to the needs of the sub-sectors, it was shown that nearly all employers agree that an apprentice has the right skills to start in the position that he or she is trained for (97%). Agreement is also high among employers that learnerships deliver employees with the right skills (75%). In addition to delivering the right skills to perform their jobs, learning interventions also seem to bridge the gap somewhat between the poor quality of basic education and the needs of the workplace, especially by improving literacy and numeracy levels.

Learnerships also seem to prepare employees to perform a wide range of tasks, and this enables employers to use employees in different parts of the organisation when a need arises. One employer interviewed mentions that learnership graduates are multi-skilled and this makes it easier for the company to swap workers around in the factory so that the operations can continue uninterrupted, when for example, some workers are sick.

One employer comments:

*“Yes we have benefitted by training the learners with NQF levels 2&3 as when they complete their 130 credits they are sometimes better qualified than the old school operators”.*

#### 3.4.2 Employees show improved workplace behaviour

Around half of employers indicated that those who were employed before the learnerships now show better workplace behaviour, while an additional 21% feel that qualified learners show better behaviour than employees without a learnership. This improvement in workplace conduct is a benefit to both the employee and the employer.

Table 8: Workplace conduct of learnership graduates once appointed

	Percentage
<b>Yes, better than before (if employed before starting learnership)</b>	49%
<b>Yes, better than other employees of a similar level without learnerships</b>	21%
<b>Yes, at the right level but not better than other employees</b>	24%
<b>No, workplace behaviour is not always appropriate</b>	6%

In addition, 72% of employers rating learnerships agree that employees from a learnership show an improved attitude towards their work, such as a new pride in what they do. 82% of employers rating apprenticeships agree.

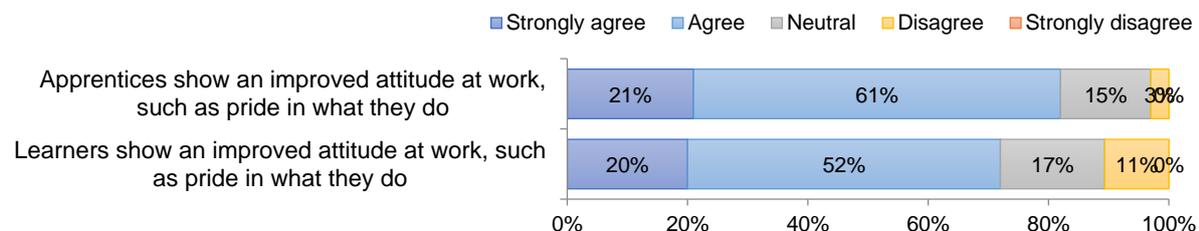


Figure 42: Employer Survey - Perceived improvement of learners' attitude towards work

### 3.4.3 Positive effect on productivity

Nearly all employers interviewed during the qualitative phase of the research agree that trained students are more efficient at doing their jobs and get up to speed more quickly than untrained employees, giving them an advantage by as much as three years. In the quantitative study, it was confirmed that learnership-trained employees easily get up to speed in their new jobs (23% strongly agree and 51% agree).

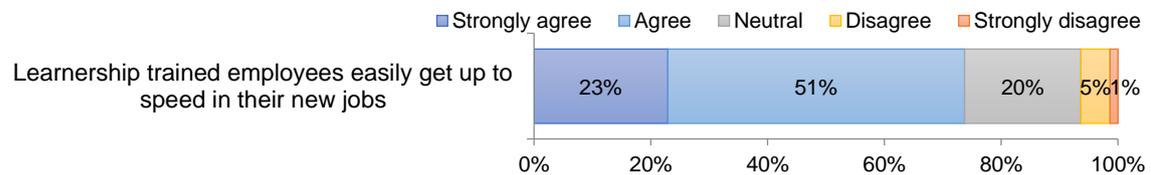


Figure 43: Employer Survey - Influence of learnership on getting up to speed in the workplace

The benefit of efficient employees who get up to speed quickly is improved productivity. Employers were asked in the quantitative research to indicate if trained employees have a positive effect on the company's productivity. The majority of employers agree that employees with a learnership or apprenticeship have a positive effect on productivity (74% learnerships and 82% apprenticeships). While there are some respondents who are neutral, very few actually disagree with this statement.

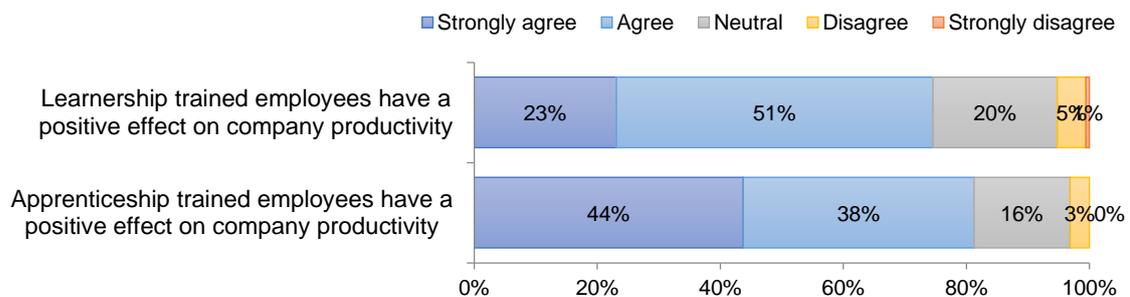


Figure 44: Employer Survey - Influence of learning interventions on company productivity

### 3.4.4 Improves company morale and assists in staff retention and career planning

The benefit of having learnership graduates extends beyond work efficiencies and the knowledge of work process, and include other value-adds, such as an improved focus on quality, as well as health and safety. It also sends a positive message to other staff, which inspires and encourages them to further their own skills.

The benefit of offering bursaries to employers is that it allows them to do career planning for employees and offers a chance for individuals to obtain a formal qualification to match their experience; one that they would not otherwise have had.

## 3.5 Challenges faced by employers and learners

Employers and learners face a number of challenges during the course of offering and attending these learning interventions. The challenges are summarised below.

### 3.5.1 Long training hours

New entrants in the workplace especially struggle with the long working hours required as part of the practical training. While employers see these hours as training hours, learners compare their outputs to those of permanent employees and some feel disgruntled at receiving a stipend instead of a salary.

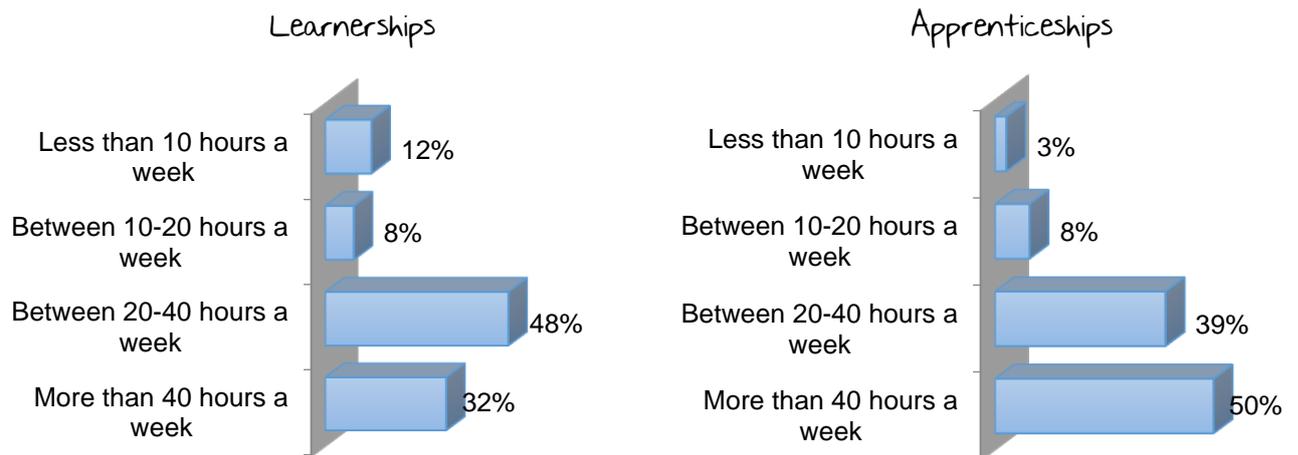


Figure 45: Employer Survey - Working hours during learnership and apprenticeships

While apprentices work longer hours on average than learnership students, as is seen from Figure 45, 22% of learners felt that these hours were not fair, compared to 13% of apprentices. It can be noted that apprentices earn on average around R4 400 per month, while learnership students earn around R1 700.

Results from a number of surveys alluded to the fact that some learners could possibly be exploited; working longer hours at the same level of a permanent employee at the low salary of a stipend. 6% of those who terminated their learnership training claim that it was due to being exploited. During the focus groups, one learner explained that he sometimes felt exploited but was also quick to show his appreciation for the training opportunity. He mentioned that they were required to come in over weekends, at short notice and at their own cost. He commented:

*“The transport fee they gave us was too little, it wouldn’t last the whole month but still they forced us to come to work on Saturdays”*

Verbatim comments from the learnership quantitative survey further highlight this issue:

*“It was not good, they mistreated and threatened us” - Learners*

*“SETA should follow up with the companies; we get exploited” - Apprentice*

One employer also commented:

*“I believe that most companies [sic] use the stipend to employ cheap labour.”*

Employers who train their own staff may find the hours they are away from their normal day jobs, a challenge.

### 3.5.2 Challenge of insufficient funding and slow grant disbursement

Both learners and employers are affected by what they feel is a too little funding. Learners do not feel that the stipend they receive is sufficient, while some employers complain that they often have to spend much more than the funding received from the SETA.

57% of learnership students feel that the stipend they received was not enough, with an additional 10% claiming that they did not receive any money nor stipend. Indeed, it is possible that some do not receive any stipends as the attitude of one employer shows from his comment:

*“I do not see the point of paying learners to study. We are providing free education and must also provide stipends. It is not economical for the employer.”*

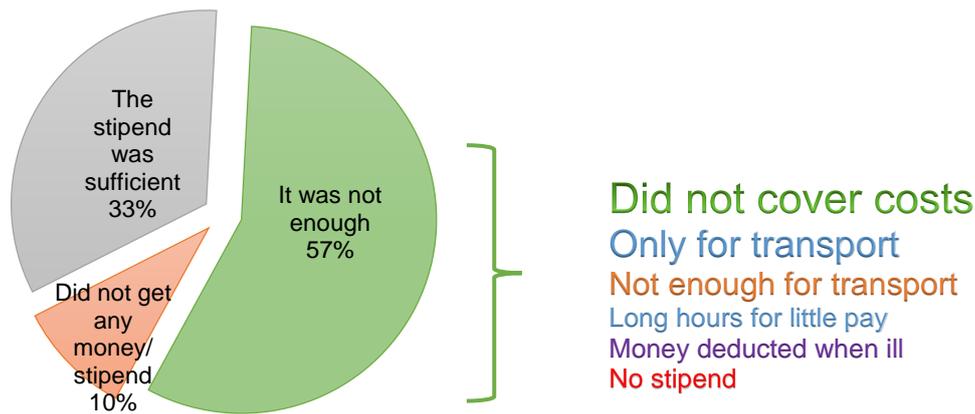


Figure 46: Employer Survey - Stipend sufficiency as rated by learnership students

The stipend was either only enough for transport and food / lunch or did not even cover this basic expense. Besides for transport costs, additional costs also affect learners, as is reflected by this comment:

*“I experience a lot of challenges as there was no internet or facilities to do our practicals. I would end up having to go to pay for the internet from my pocket because I would end up at an internet café”.*

The employer survey examined the amounts that students receive as a stipend, and Table 9 indicates that average monthly stipend, while Table 10 provides the stipend per sector (only for sectors with sufficient base sizes to allow for individual comparisons).

Table 9: Average monthly stipend paid to learners on a learnership

	N	Minimum	Maximum	Mean	Std. Deviation
<b>Average stipend</b>	50	867	6 000	2 083	1 209

All of the sectors compared in Table 10 show relatively low monthly stipends when compared to the average across all companies reflected in Table 9. It is true that in some other sectors, such as Printing and Paper and Pulp, better qualified learners are needed and therefore higher stipends are paid. These sectors influence the overall mean stipend reflected in Table 9.

Table 10: Average monthly stipend for learnerships by sector

	Forestry	Clothing	Textiles	Furniture
<b>Average stipend</b>	R1 367	R1 760	R1 963	R1 697

Note: Sector comparisons are only provided for sectors with sufficient base sizes in the learnership survey. See the “Voice of the Employer” report for a full explanation.

The low stipend is one of the main drivers of drop out. Employers comment regarding the stipend and dropout:

*“Contribution received from the SETA for the learners was not enough. The company had to pay R400 more to get them to stay”*

*“Majority of the learners leave after a month or two, as the stipend is too little in their opinion”*

*“The government-mandated stipend is too low in relation to living costs. This causes drop offs”*

*“We lose most of our excellent 18.2 learners for the stipend is too little for time period on the Learnership Training Programme. Unless the Training Provider uses initiative to increase the stipend while the learner progresses in his/her practical training.”*

*“We recruit learners with degrees into our programmes because of the level of work. The industry is a very skills-intensive industry. If [sic] could pay at least R5000 in accordance with their qualification that will also motivate learners. R2000 is simply just too little for a person with a degree”*

One employer highlights that sometimes the learners do not use the stipend for its intended purposes due to poverty and need:

*“I believe that most learners are attracted by the stipend. Whilst the purpose of the stipend is to provide learners with the means to travel to work and to buy food, in most cases it is used to support their families.”*

It is not only learners who appear to suffer from too little funding, but employers also feel that the funding is insufficient. 71% of those offering learnerships list this as one the main challenges they face in delivering training. One employer explains:

*“It is great to have and adds value but is costly on the company's side in terms of budget i.e. Stipend / Facilitators / Resources / Administration, etc. which outweighs the funding. Also with 18.2 Learners, after completion they leave to find other jobs in other sectors.”*

In addition to finding the funding insufficient, employers are also challenged by slow grant disbursement, which affects their cash flow. Smaller employers in particular find it difficult to carry the cost of training while waiting for funding to be paid over.

### **3.5.3 Challenge of slow and inefficient communication with FP&M SETA**

The most frequently mentioned challenge from the qualitative interviews with employers is that of slow and inefficient communication from the SETA on queries. The companies highlight the following communication issues in particular:

- Difficult to make contact and to get in touch with the correct persons.
- FP&M SETA is slow to respond to queries.
- Too many processes involved. Everything needs to be simplified.

Related to the need for improved communication, is the need for clarity on notices of information sessions, and official lists of training providers and courses.

### **3.5.4 Lack of training providers in certain geographic areas**

Particularly in some sectors, companies are challenged by a lack of available training providers close by. For example, Forestry plantations are located equally in Mpumalanga and KwaZulu-Natal, yet there are not enough training providers in Mpumalanga. Forestry companies in Mpumalanga opt to send their learners to KwaZulu-Natal, which incurs further cost to the company.

### **3.5.5 Approving training**

A large number of companies who took part in the employer survey feel that the SETA fails to recognise the training that they do, or that they should receive funding to do training, but are refused. Some feel that this is due to bias or even misconduct by the SETA. A few comments that relate to this issue are presented below as illustration:

*“Please look at honest companies who actually make use of all funding constructively. We are a company providing employment to 1000s. We train mostly youth and disabled yet are never*

*recognised by the SETA. We have received no funding for 2015 learnerships and feel that SETA are biased."*

*"We are a company that has always complied with all FPM regulations. We spend millions worth of rands every year training unemployed, youth, women and disabled people yet the FPM SETA fails to recognise our organisation. 2014 DG grant applications were disappointing and employees feel demotivated."*

*"We are accredited for FLC training programmes and wish to roll-out these programmes within the FP&M SETA as there is a great need for FLC training. During the April funding window we applied for funding to provide FLC training programmes, but the application were declined. We would like to request the FP&M SETA to approve funding for FLC training."*

*"We have a fully equipped training centre with qualified staff, with no learnerships to run"*

While some employers are not approved for training at all, some feel that they go through considerable effort, only to receive a small number of approvals.

*"The SETA Opens the DG Window and advertise just to find that the approvals are so few due to budget, an abundance of work done by the companies and the approvals were so poor, no need for all that work if there are budget constraints, why advertise for all those applications?"*

### **3.5.6 Certification**

The study has brought to light that many learners are not receiving their certificates due slow or no action taken by employers in populating completion data on the new FP&M MIS system and other procedural problems. 46% of graduate from learnership programs claim to not have received a certificate. Verbatim comments suggest that not being able to produce a certificate makes it hard for job seekers to prove that they have done the learnership. Employment figures for learnerships would most likely once the certificates reach graduates promptly. This issue is now being addressed through pro-active interventions to address the backlog as well as to avoid a repeat in future.

## **3.6 Suggestions for improvement**

### **3.6.1 Suggestions for changes in funding structures and payment of stipends**

Employers make the following suggestions for improving the funding structure / stipend system:

- Consider the nature of the course when funding, not only the number of credits
 

*"Funding needs to be realistic to the courses offered. Should you get a grant for the unemployed they need to consider transport, possible housing equipment and PPE needed to be given the candidates, not just the number of credits the course offers for the funding."*
- Consider increasing the stipend from theory to practical training, or at set times during the training

*"Yes the stipend passed by law is too low and does not cover the learners' bus fares etc., as a result learners do not accept it. With the Company paying R700 p/week, the wage cost actually exceeds the SETA Funding drastically."*

*"We pay them R1500/month when they are doing the theory part of the learnership and R7000/month when they do the practical training."*

*"We pay an hourly rate of 13.20 and increase it 3 times during the learnership, upon completion of elective outcome 1, 2 and 3. We give a completion bonus of R1000-00 to those who graduate."*

- An increase, or bonus, might be a solution to those experiencing dropout during practical work

*“They also drop out when they start with their practical on the production floor, where they have to do the same work as the qualified machinists, but get paid less.”*

### **3.6.2 Improvements to the grants application process**

Many employers find the grants application process slow, with too much paperwork. The new MIS system is recognised as improving the process somewhat, yet not all employers are using this system yet.

*“The new MIS system is working well.”*

*“I think the discretionary grant application process has greatly improved, however the paperwork is a killer!”*

*“The grant application window needs to be open for longer”*

*“Must improve turnaround time in processing claims”*

*“Timing of allocations needs to be synchronized with calendar year”*

The SETA can consider leaving the grant window open for longer or completely reviewing the new windows in consultation with stakeholders:

*“FP&M SETA must engage with its stakeholders as the new window will not accommodate our printing and packaging sector.”*

Clear guidance is needed on what documentation is needed during the grants process:

*“The SETA needs to have payments processed on time and most importantly advise correctly on the documentation required to avoid tranche payments being processed. Example: I was advised that all my learners must complete FPM SETA learner contracts. It took me 3 months to get these documents sorted only to be told that for bursaries they do not have to complete this document.*

*“We need the SETA personnel to come and visit us and train us to do the correct thing. We ask for help but don’t get any.”*

In addition to adjustments to the grants application process, the SETA could also consider improving efforts to educate employers who have never offered training before. A lack of knowledge on the process and the available training was provided as the main reasons why companies do not offer training.

### **3.6.3 Assist smaller companies**

22% of employers who have not offered training through the SETA over the past few years said that it was attributed to the company being too small to offer training. Smaller businesses find it hard to comply with the criteria, as well as managing all the paper work. A number of smaller companies would like to offer training but make the following suggestions for improvements:

*“Make it easy for small businesses. We just don't have time to deal with all the paper work and admin. Submitting the Workplace Skills plan is time consuming enough.”*

*“The company is too small. Time management: it seems like a lot of work and almost need to employ someone to help with implementing a WSP. We are a small company of 20-30 employers. Would just not be cost effective for me to employ someone to implement a WSP”*

#### **3.6.4 Consider supporting more rural areas**

There is a call for more grants to be paid to companies in rural areas.

*“The discretionary grant funding should not be disbursed based on urban and traditional beneficiaries. I recommend more organisations in the poor provinces such as Limpopo should be given special preference. There are limited opportunities in poor provinces. Also discretionary grants should not be based on levy payment organisations at the expense of NGO that are basically working in the poor rural areas which do not pay levies by nature of their business.”*

*“Give preference to rural companies and give continuous support”*

*“SETA should also consider small, emerging and rural based companies than putting large amounts to big companies in metros”*

# Chapter 4

## Key Trends and Challenges For Education and FP&M Sub-sectors

### 1. Objective

The objective of this section is to address the study's aim of understanding key trends and opportunities in the FP&M sub-sectors.

### 2. Methodology

Secondary research, also known as desk research, was conducted to understand the trends and opportunities for the FP&M sub-sectors. Secondary research involves the summary, collation and synthesis of existing research. In the case of the Tracking and Tracing study, secondary research was utilised to gain further insights into the 13 industries in which FP&M SETA operates. Various industry analyst commentaries and discussion papers were researched, as well as recent news articles on the relevant industries. This enabled the researcher to get a sense of the challenges and opportunities that these industries are currently facing.

This secondary analysis included a review of the education sector in South Africa and other relevant information that might inform skills planning or the interpretation of information in this report.

This chapter provides a brief summary of what is presented in more detail in Appendix 2, as well as in six separate reports, profiling the FP&M subsectors in more detail. (Available as separate documents)

### 3. The South African educational context

According to the Michael and Susan Dell Foundation, barely one in ten students qualify for university and only 5% graduate in South Africa (Michael and Susan Dell Foundation, 2014). Throughput rates indicate that fewer than five South Africans in 100 who enrol in Grade One of schooling, graduate from university. This problem is particularly serious for disadvantaged students: only 28% of students in the National Student Financial Aid Scheme of South Africa (NSFAS) end up graduating (Govender, 2013). This places a much higher importance on the SETAs role in the development of skills, and the intervention they have to offer, in working towards supplementing the existing institutions and providing learners with alternative opportunities through the education system and into the labour market.

The figure below depicts, the change in the highest level of education received per population group looking at those aged between 18 and 24 for the period 2002 to 2012. The figure shows that the percentage of Black Africans who hold incomplete secondary school has remained relatively constant over this period, while the percentage that completed secondary and post-school education has increased. Among the highest percentage of the population who completed secondary school and post-school and lowest incomplete secondary school, is the Indian/Asian population group and White population group. (The complete data set can be found in the in appendix 2.) (StatsSA, 2013)

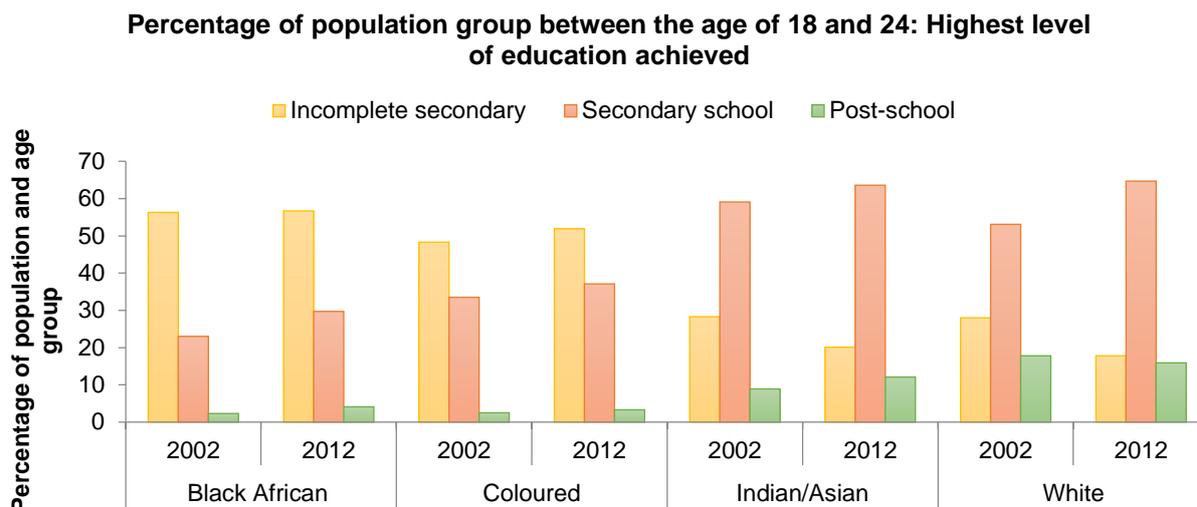


Figure 47: Percentage of population group between the age of 18 and 24: Highest level of education achieved

### 3.1 Skills Challenges in South Africa

The Department of Higher Education and Training (DHET) has identified the following challenges in skills development at the National Skills Conference in October 2013:

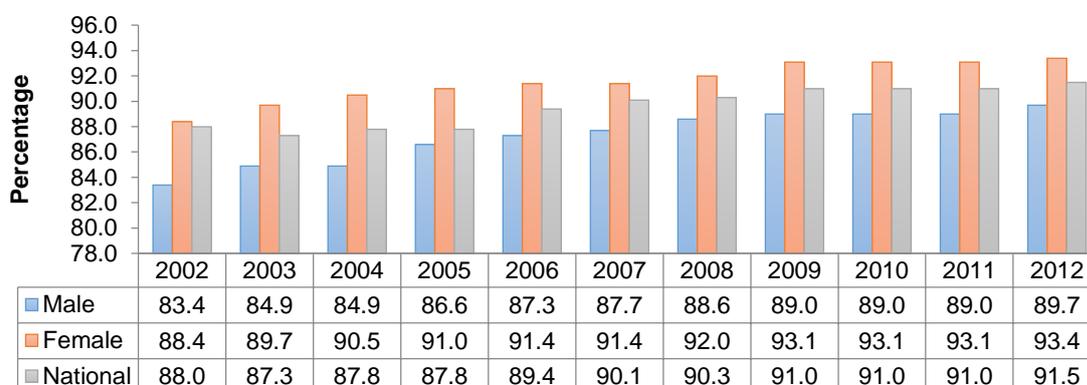
- Continuing poor work readiness of many young people leaving formal secondary and tertiary education and entering the labour market for the first time
- Continuing skills shortages in the artisanal, technical and professional fields that are fundamental to the development and growth of our economy – these skills are essential to drive the industrial and beneficiation strategy of the country identified in the Industrial Policy Action Plan (IPAP), New Growth Path (NGP) and National Development Plan (NDP).
- Insufficient progression towards more appropriate (intermediate and higher) skills required for growth sectors in a knowledge economy
- Many sectors of the economy pay minimal attention to equipping their workforce to adapt to change, as the economy becomes more knowledge-based
- Dominant urban bias of our economic development and therefore the urban bias in our skills development initiatives

The department went on to outline plans to address these challenges and part of these, involve the work of the SETAs towards creating improved linkages between education and employment. SETAs are the key institutions in the effort to bridge the gap between education and work. The introduction of the New Grant Regulation with a special focus on Vocational, Technical and Academic Learning (PIVOTAL) Programmes; New policy on Artisan Development & Strengthening of National Artisan Moderation Body (NAMB); the revitalisation of State-owned Company (SOC) training capacity and strengthening of FET/Industry partnerships with Department of Public Enterprise; the launch of Occupational Teams to assist in establishing a concrete education and training pipeline across all professions and DHET set up a dedicated unit to coordinate efforts targeting rural skills development need as well as the continuous improvement on access and throughput in all institutions.

SETAs are expected to play an important role towards addressing these challenges. Thus the FP&M SETA's impact is vital towards knowing how efficient their interventions are and what needs to be improved upon.

The General Household Survey (GHS) conducted annually by Statistics South Africa, indicates that the number of South Africans who are completing Grade 7 or above has increased from 2002 to 2012.

#### Percentage of 15 to 24 year olds who completed Grade 7 and above, 2002 - 2012



Source: Statistics South Africa, General Household Survey, 2010-2012, amended by DBE

Figure 48: Percentage 15-24 y/o who completed Gr7 and above, 2002 – 2012

While more people are completing secondary education, this does not necessarily point towards a high or sufficient level of literacy and numeracy. In December 2014, the Annual National Assessment (ANA) results revealed that while lower grades such as grades 3 to 6 were showing some improvement in literacy and numeracy, the senior phase remained challenged by not delivering the expected progress against targets set by the DOE in 2010. Literacy rates among adults have also been a long standing problem. While literacy rates among adult South Africans have increased since 1995, it is mainly attributed to the fact that educated youths move into adulthood.

AET, known as Adult Education Training, is one of the ways in which literacy and numeracy skills of adults can be improved. Yet despite being a vital component to the education system in South Africa, AET receives less than 3% of the national education budget. The fact that 14% of youths between the age of 16 and 18 years did not attend an educational institute in 2012, leads to more adults who need education, thus substantiating the argument that funding in the AET sector is not adequate.

Many adults who undertake AET do not complete their training, as is evident from Figure 49 below.

#### AET Pass and Throughput rates 2011

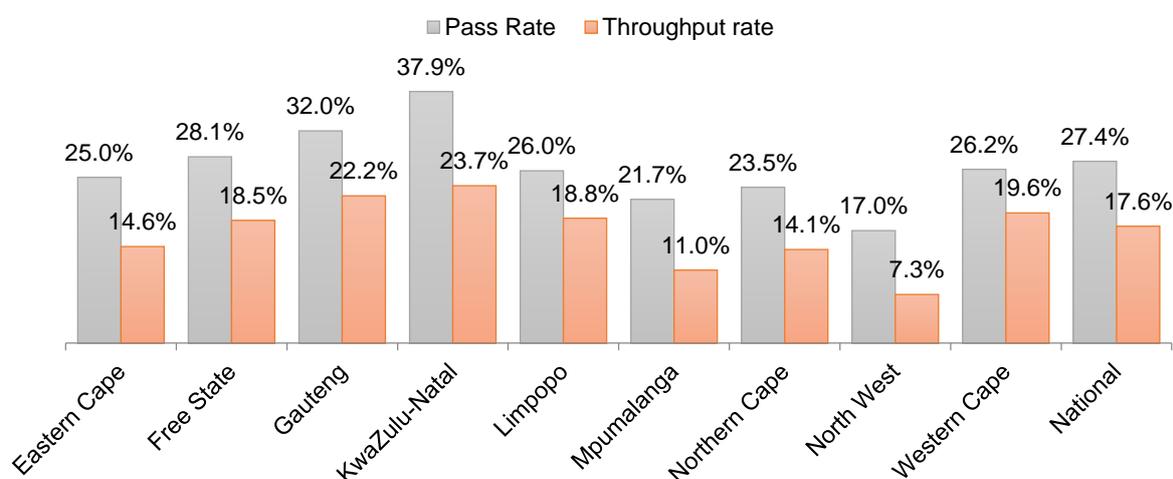


Figure 49: AET Pass and Throughput rates

Source: National Examinations Database, September 2012

Learnerships have been found to assist in improving the basic education levels of learners, such as improved numeracy and literacy, and are therefore assisting in meeting the objectives of improving the basic level of education of adults, even among those with matric certificates.

Low levels of, or insufficient, education is linked to unemployed and a mismatch between skills and the requirements of employers. In a survey done by African Economic Outlook (AEO), 54% of respondents reported a mismatch of skills between what job seekers have to offer and what employers require.

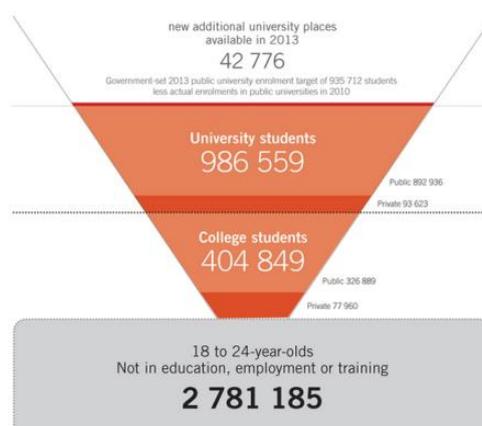
The General Household Survey of 2012, conducted by StatsSA, shows that the main cause of non-attendance of educational institutes is lack of money in order to cover fees. When these youths are sent to an educational institute, the main problem at the schools is a lack of books.

Repeaters are mainly seen in the Grade 10 phase of a school career, with 22% of enrolled students repeating in 2012. Grade 11 follows at 20% of enrolled students repeating. The students doing learnerships also complain, in particular, about the pressure of a low stipend and a lack of money is one of the main reasons for drop-out. Employers in the FP&M subsectors also highlight the fact that due to the poverty that some learners live in, they simply have to use the stipend to sustain themselves and their families and then do not have enough for transport and other requirements of the course.

The shape of the post-secondary education sector is set out by the Centre for Higher Education and Training (CHET) as in the figure below, with an inverted triangle shape. The inverted triangle shape of the post-secondary education sector in South Africa is not conducive to narrowing the skills shortage, and the focus should be on creating quality opportunities for youth in the college space to rectify the shape.

A few factors to consider within the inverted shape:

- When the shape is inverted, it is a clear indication that College is not an appropriate alternative for students who seek further education and only a few accept the alternative.
- There are not enough places available for new students in the university space to absorb the more than 2.7 million students who are not in an educational institute or training and unemployed. The College space should be geared to absorb most of these students.
- The University space is over capacity and quality suffers.
- The focus should be to create quality opportunities in the College space.



Source: CHET, 2013

Figure 50: Post-secondary education sector

## 4. FP&M Sector Trends

Data gathered through discussions with employers in different sectors revealed that opportunities are relatively limited as a result of economic conditions; however, most sectors' employee numbers are stable, with Clothing and Furniture sectors showing the most opportunities available. Employee numbers in the Footwear sector are increasing for some companies, but it was indicated that mergers are taking place in this sector. This reflects the increase in funding from the Industrial Development Corporation (IDC) in all four of its targeted high-growth manufacturing sectors, including the Furniture, Clothing and Footwear manufacturing industry.

A number of individual reports were created that provides a detailed view of the most recent trends and challenges facing the FP&M SETA's sub-sectors. Due to the close relationship between some sub-sectors, as shown in the figure below, the following sector reports were created:

1. Clothing, Textiles, Footwear and Leather
2. Furniture
3. Wood products and Forestry
4. Paper and pulp
5. Packaging
6. Printing, Print media and Publishing

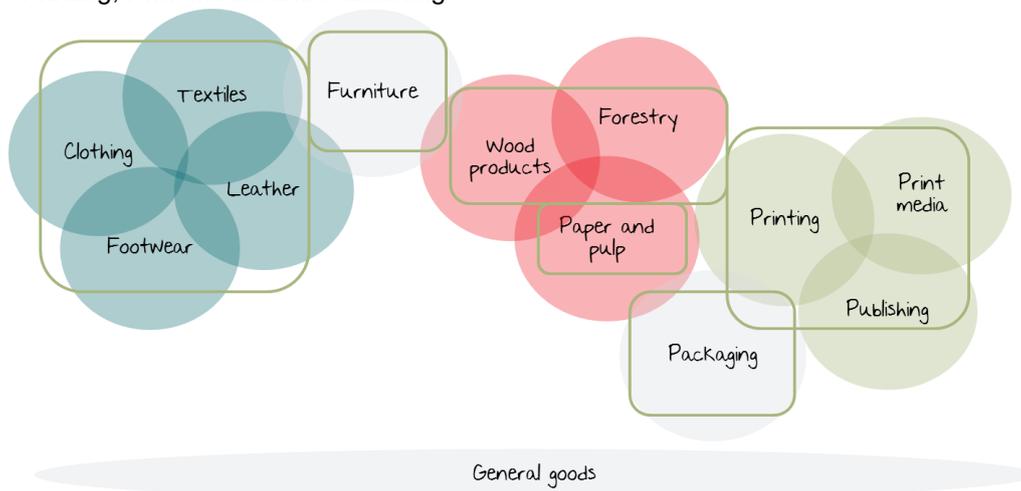


Figure 51: FP&M Sub-sector reports

These reports are available as separate documents, and this section provides a high level summary.

### 4.1 Closing the gap: Gap between education and being able to transfer skills in into the workplace

The gap between the education provided to learners and the ability of the learners to transfer these skills into the workplace involves two aspects; namely, a skills mismatch and a lack of skills.

High vacancy rates in the presence of large scale unemployment, confirms the existence of skills mismatches. Mismatches are not confined to university graduates but also strongly affect young people with secondary education. (African Economic Outlook, 2013)

The analysis by the African Economic Outlook (AEO) has established a number of facts about youth employment and education:

- The chances of being wage-employed rather than in vulnerable employment, are significantly higher for young people with more education. For those in employment, wages are higher.

- Higher education is linked to higher unemployment among young people but lower unemployment among adults.
- Among those with higher education, the unemployment rate varies by type of educational degree.
- Young people with education face a higher likelihood of unemployment and discouragement in Medium Income Countries (MICs) than in Low Income Countries (LICs).
- Discouragement and being out of the labour force are higher among young people with no, or only a little, education. Overall, not in employment, education or training (NEET) rates are lowest among young people with tertiary education.
- The analysis suggests that much unemployment and even discouragement, observed among educated young people, are largely transitory phenomena and the result of the better-off queuing for good jobs. However, the length of this transition, which can often take many years, and the strong link between field of study and unemployment rate, suggest a serious mismatch between the skills that young people bring with them when they leave the education system and those that are sought after in labour markets.

## 4.2 Trends in the sub-sectors

As the FP&M SETA's sectors are closely related, there are common threads among the trends in these sub-sectors.

The most consistent factor that affects any business, is the impact of the economic downturn. As the disposable income of consumers comes under pressure, the demand for non-essential goods declines – seen especially in the Furniture sector. Consumers turn to imported, low cost goods that put more pressure on the manufacturing companies of South Africa.

Companies are dealing with the rising costs of doing business, with energy costs especially impacting profits. Most companies resort to a focus on cost management, others import goods and there are some that revert to a quick turnaround time to boost business. Quick turnarounds are achieved by sourcing some resources locally, which has a positive impact on the South African economy, but turnaround times are also achieved through innovation and technology. Many a time individual jobs are replaced by machines that improve the cost efficiency, speed of manufacturing and quality of products – this has a large negative impact on the communities who rely on this source of income for survival.

General growth can be seen in these sectors where private companies and government push funding into expansions and improvements. Examples thereof are:

- The IDC has increased funding levels in all four of its targeted high-growth manufacturing sectors, including the Furniture, Clothing and Footwear manufacturing industry.
- Clothing:
  - R25 million clothing design centre by Trade Core Investments Apparel clothing factory in Epping.
  - IDC's investment in fast fashion (quick turnaround times) and government's preferential procurement opportunities.
  - Government's CTC Programme's support to address product design, hardware and capital equipment needs.

“Conscious”, “responsible” and “sustainable” are key words in the manufacturing sectors. Global awareness of the impact that humanity has on the planet is ever increasing and companies are required by social and legal standards to ensure that operations have a positive effect on the environment. The Forestry, Wood Products, Paper and Pulp, and Packaging sector are heavily affected by these requirements. Forestry, being a long term investment and a high impact sector, has

immense requirements to practice responsible and sustainable forestry with resource efficacy. The impact of irresponsible operations is felt not only in local communities, but also on long term economic growth, biodiversity and nature.

Regulation in terms of fair and proper social responsibility is a top priority in the manufacturing sector. Workers are entitled to reasonable wages and working environments. All the sectors have workers' unions available to them to make their voices heard.

### **4.3 Challenges in the sub-sectors**

The largest challenge impacting the manufacturing sector is the rising cost of doing business. Increasing labour and licencing costs, as well as infrastructure upkeep puts pressure on businesses. Other challenges include increased regulations around health and safety in the workplace. Trade unions and strikes are a threat to these sectors' profitability, while skills shortages loom in the background. Technological efficiencies are curbing some of the impact of rising labour costs, but have had a negative effect on communities and ordinary South Africans. In the print media sector, technological advances are a large threat to business.

The depletion of natural resources in Forestry is of course a challenge, as is water pollution, poorly developed infrastructure, and a changing workforce. Manufacturing is a labour intensive environment and with the rural population declining due to urbanisation, young, skilled workers are hard to find. Companies are therefore challenged by their ageing workforce.

Sub-sectors of the FP&M SETA are mainly high investment industries where large amounts of capital are needed to initiate operations, such as in the Packaging sector. The exception is the Furniture sector, that is among the lowest capital investment sectors, where the cost to create one job averages at R20 000. This causes high structural barriers to entry in these sectors and many Small, Medium and Micro-Enterprises (SMME) do not survive in this environment.

### **4.4 Drivers for change in the sub-sectors**

Factors that drive change in the sub-sectors are, among others:

- Technology
- Competitiveness
- The need to be efficient and sustainable
- Requirement of quality and reliable products and service
- Responsibility to reduce poverty and unemployment
- New investment opportunities and government support programmes
- Fraud, corruption and illegal imports drive regulatory change
- Electricity shortages drive alternative energy sources (biomass-based energy in Pulp and Paper)

# Chapter 5

## Conclusion

The final chapter presents a conclusion to the study by briefly summarising the activities, the outcomes and the way forward.

### 1. Summary of activities

The study incorporated a number of different research methodologies to address the objectives of the study. Secondary research reviewed existing sources to supplement understanding of primary research findings as well as deliver insight into trends affecting the FP&M subsectors. Primary research was conducted with learnership and apprenticeship students, with employers and with training providers. The views of learners and employers were explored through both qualitative and quantitative means.

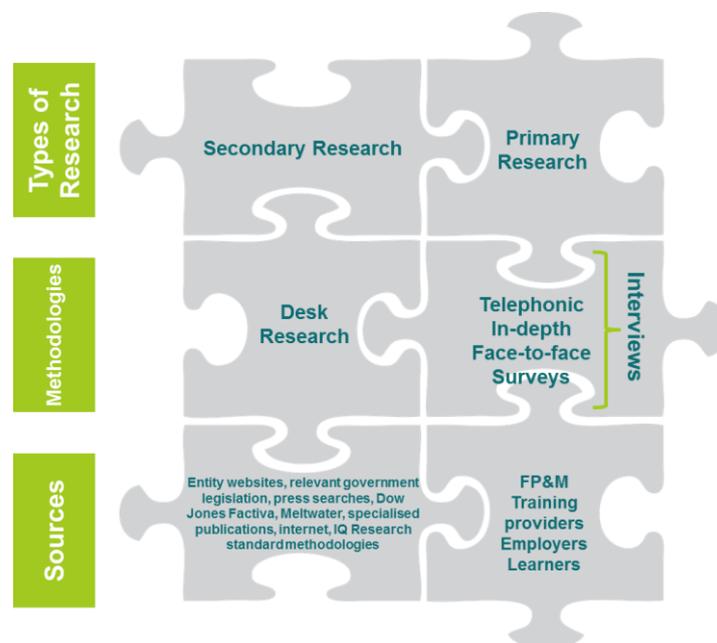


Figure 52: Summary of research activities

The study yielded a number of reports/documents which were either used during the research process or that contain detailed research findings used to input into the current report. The following documents were created during the research process:

- Communication strategy
- Learner survey
- Employer survey

The following research reports were created and are available for review for detailed findings:

- That Voice of the Learner
- The Voice of the Apprentice
- The Voice of the Employer
- Industry profiles

## 2. Conclusions

SETAs play a major role in the implementation of the National Skills Development Strategy as they aim to reverse the country's skills crisis and thereby address the plight of the millions of youth who are not in employment, education or training. Much criticism has been levelled at SETAs for being ineffective. In 2012 only 6 of the 21 SETAs received clean audit reports. Many critics say the SETAs' effect on the economy to date has been minuscule (Karl Gernetzky, Business Day, August 2012). A main concern often cited is a lack of follow follow-throughs by the SETAs to determine whether learners, who had been supported with skills development levies, have since been employed. As a consequence, the impact of projects being implemented by the SETAs cannot be seen (Nkosi, Mail and Gaurdian, 20 August 2014).

The current study aims to shed light on the employment of learners from the programs and the impact that the interventions have on the lives of learners. The study results found that employment opportunities are being created, although the desired rate of employment is not yet achieved. Focussing on learnerships, 27% of the unemployed (18.2 learners) were employed directly out of the learnership, yet the employment percentage rose to 39% after a few months. Additionally 8% of the unemployed have chosen to further their formal studies. **As a result**, unemployment was halved for those unemployed prior to doing a learnership. Apprenticeships are even more effective at creating employment; 71% of unemployed apprentices were employed at the time of the survey. Employees with learnerships tend to stay with their employers for a long time, indicating that employment is sustainable

These training initiatives of course also benefit employed individuals. The research results found evidence that the income potential and career prospects of an employee with a learnership increases, significantly so for artisans. The training interventions have also been found to improve the soft skills of learners, such as confidence and communication skills. Improved levels of basic reading and writing skills have been observed by employers, filling the gaps often experienced when hiring employees with a matric qualification. Not only learners, but also employers benefit from the training. Employers report increased productivity and better workplace behaviour from trained employees.

While learnerships and apprenticeships undoubtedly deliver value, the FP&M SETA is faced with the need to improve certain processes and customer services aspects. Most improvement areas have already been identified and their route course identified, mostly stemming from the fairly recent amalgamation in 2011. Continuous efforts are in place to improve, including the introduction of a new business model.

## 3. The way forward

From the research process as well as the research results, recommendations for consideration have been formulated. The recommendations relate to FP&M SETA processes and customer satisfaction, possible improvements to the training interventions.

- **Review of databases and data collection processes**

The MIS system provides process improvements and employers are seeing the value. The FP&M SETA should consider increasing the speed at which it is adopted as to move away from using the old and the new system simultaneously. The SETA would benefit from a dedicated data manager tasked with ensuring an effective change management process. A data manager could also review the current processes for collecting and holding student data in light of the new PoPI (Protection of Personal Information) act. The SETA might be at risk of breaching the act.

- **Adopt a clear definition and approach to industry classification, should reporting be required at industry level**

The research process highlighted that there is no single field in the learner data– in either the MIS or SQMR - that links a learner directly to an industry. Industry classification has to be deduced from a number of other variables and there are often inconsistencies or missing data hampering the process. During the process it also emerged that many employers have a presence in multiple industries and would not be accurate to label all of their activities into one industry. Therefore a classification system needs to be developed that is sensitive to multiple operations.

- **Prioritise the issuing of certificates, with follow-up procedures to ensure receipt by learners**

The FP&M SETA should consider further investigation of the process followed to issue certificates to learners with the goal of highlight any areas that could be hindering the process. Learners who are not employed after the learnership might lose touch with the employer after leaving the company and the SETA should consider a system of delivering the certificates to learners directly, as opposed via the employers, or, at the very least, following up directly with learners on the receipt of their certificates.

- **The SETA might consider investigating the reasons why certain courses have low attendances, and whether it is economically advisable to continue to offer these.**
- **The SETA could benefit from improving the transparency of grant approvals**
- **Small and rural enterprises could benefit from additional support. While many are ignorant of the process, others simply do not qualify. They do however operate in areas where possible learners could benefit greatly from an opportunity at training.**
- **A review of internal processes could be considered, where an improvement would result in a reduction in administration. Likewise, a review of current communication structures could results in improved communication with stakeholders.**

# APPENDIX

## APPENDIX 1: Codes from MIS database

The following code descriptions were received from FP&M SETA.

Disability Status		Alternative ID		Home Language	
Code	Explanation	Code	Alternative ID Type	Code	Explanation
N	None	521	SAQA Member ID	Eng	English
01	Sight (even with glasses)	527	Passport No.	Afr	Afrikaans
02	Hearing (even with hearing aid)	529	Driver's Licence	Oth	Other
03	Communication (talking, listening)	531	Temporary ID Number	Sep	SePedi
04	Physical (moving, standing, grasping)	533	None	Ses	SeSotho
05	Intellectual (difficulties or psychological)	535	Unknown	Set	SeTswana
06	Emotional (Behavioural)	537	Student Number	Swa	SiSwati
07	Multiple	538	Work Permit Number	Tsh	TshiVenda
09	Disable but unspecified	539	Employee Number	U	Unknown
U	Unknown disability status	540	Birth Certificate Number	Xho	isiXhosa
		541	HSRC Registration Number	Xit	ZITsonga
		561	ETQA Record Number	Zul	isiZulu
				Nde	isiNdebele

Gender		Province		Equity	
Code	Explanation	Code	Explanation	Code	Explanation
M	Male	U	Undefined	BA	Black: African
F	Female	1	Western Cape	BC	Black: Coloured
U	Unknown	2	Eastern Cape	BL	Black: Indian / Asian
		3	Northern Cape	U	Unknown
		4	Free State	Wh	White
		5	Kwazulu / Natal		
		6	North West		
		7	Gauteng		
		8	Mpumalanga		
		9	Limpopo		

Citizen Resident Status		Socioeconomic status		Nationality	
Code	Explanation	Code	Explanation	Code	Explanation
U	Unknown	U	Unspecified	U	Unspecified
SA	South Africa	01	Employed	SA	South Africa
O	Other	02	Unemployed - looking for work	SDC	SADC Except (i.e. NA)
D	Dual (SA + Other)	03	Not Working - not looking for work	NAM	Namibia
		04	Not Working - housewife/ Home maker	BOT	Botswana
		06	Not Working -scholar/ full time student	ZIM	Zimbabwe
		07	Not Working - pensioner / retired person	ANG	Angola
		08	Not Working - disabled person	MOZ	Mozambique
		09	Not Working - not wishing to work	LES	Lesotho
		10	Not Working - none of the above	SWA	Swaziland
		97	N/A: Aged >15	MAL	Malawi
		98	N/A: Institution	ZAM	Zambia
				MAU	Mauritius
				TAN	Tanzania
				SY	Seychelles
				ZAI	Zaire
				ROA	Rest of Africa
				EUR	European Countries
				AIS	Asian Countries
				NOR	North American Countries
				SOU	Central and South America
				AUS	Australia and New Zealand
				OOC	Other and rest of Oceania
				NOT	N/A: Institution

Figure 53: Data code classifications

## APPENDIX 2: Detailed description of the South African Context

In the table below, the level of education by population group and age groups 18-24 and 25-34, the most relevant age group for FP&M SETA.

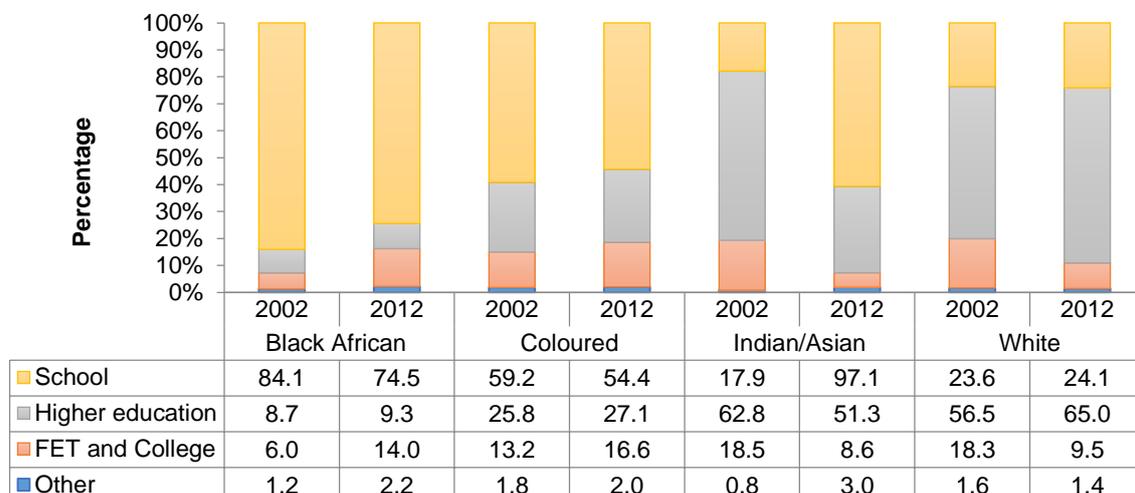
Table 11: Level of education, 18-24 and 25-34

Highest level of education achieved	Population group									
	Black African		Coloured		Indian/Asian		White		Total	
	2002	2012	2002	2012	2002	2012	2002	2012	2002	2012
<b>18-24</b>										
No schooling	1,4	0,6	1,1	0,6	0,7	0,0	0,2	0,0	1,3	0,6
Some primary	9,8	4,6	7,5	3,7	2,0	3,8	0,5	0,9	8,8	4,3
Primary	7,1	3,8	7,0	3,2	0,8	0,2	0,4	0,6	6,4	3,4
Incomplete secondary	56,3	56,7	48,3	51,9	28,3	20,1	28,0	17,8	52,8	52,9
Secondary	23,0	29,7	33,5	37,1	59,1	63,6	53,1	64,7	27,1	33,4
Post-school	2,3	4,1	2,5	3,3	8,9	12,1	17,8	15,9	3,6	5,0
Other	0,1	0,5	0,2	0,3	0,2	0,2	0,0	0,2	0,1	0,4
Per cent	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
Total (thousands)	5 111	5 749	535	576	149	159	469	450	6 266	6 935
<b>25-34</b>										
No schooling	4,4	1,1	3,3	0,2	0,2	0,0	0,1	0,1	3,8	0,9
Some primary	14,3	6,2	13,7	3,6	1,2	4,2	0,1	1,1	12,7	5,6
Primary	6,5	4,0	9,2	3,1	1,2	0,9	0,3	0,7	6,1	3,6
Incomplete secondary	38,9	44,1	41,6	46,7	30,9	16,2	16,7	12,2	37,1	41,6
Secondary	27,5	33,2	25,4	34,9	45,7	51,2	47,4	41,2	29,4	34,3
Post-school	8,3	11,1	6,9	11,1	20,6	27,5	35,1	44,6	10,7	13,7
Other	0,1	0,4	0,0	0,4	0,3	0,1	0,3	0,1	0,2	0,3
Per cent	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
Total (thousands)	6 194	7 390	750	744	189	236	657	573	7 792	8 944

Totals exclude unspecified and missing values

(StatsSA, 2013)

In the figure below, the distribution over type of institutions attended for each population group for the age group 18 to 24 year olds can be analysed. The percentage of Black Africans who are still enrolled in school at the age of 18 to 24 years of age, is above 70% (80% in 2002). A small portion of these students have managed to progress to Higher Education, FET and Colleges. The percentage distribution of Coloured population is relatively similar to that of Black African. The Asian/Indian and White population is mostly enrolled in Higher Education between the ages of 18 and 24 years of age. The obvious underlying factor of the skew distribution of racial groups is the aftermath of the apartheid era.



(StatsSA, 2013)

*Figure 54: Type of educational institution attended by youth aged 18–24, by population group, 2002 and 2012*

### 2.1.1 Challenges identified by DHET

At the National Skills Conference in October 2013, the Department of Higher Education and Training (DHET) outlined some challenges in skills development, as follows:

- Continuing poor work readiness of many young people leaving formal secondary and tertiary education and entering the labour market for the first time
- Continuing skills shortages in the artisanal, technical and professional fields that are fundamental to the development and growth of our economy – these skills are essential to drive the industrial and beneficiation strategy of the country identified in the Industrial Policy Action Plan (IPAP), New Growth Path (NGP) and National Development Plan (NDP).
- Insufficient progression towards more appropriate (intermediate and higher) skills required for growth sectors in a knowledge economy
- Many sectors of the economy pay minimal attention to equipping their workforce to adapt to change, as the economy becomes more knowledge-based
- Dominant urban bias of our economic development and therefore the urban bias in our skills development initiatives

(DHET, 2013)

At this conference, the DHET also outlined the plans to address the skills need in South Africa as:

- Continuous improvement of linkages between education and workplaces
  - Skills Accord
  - SETA/FET Collaborations
- New Grant Regulation, with special focus on Professional, Vocational, Technical and Academic Learning (PIVOTAL) Programmes; New policy on Artisan Development & Strengthening of National Artisan Moderation Body (NAMB)
- Memorandum of Understanding with the Department of Public Enterprises (DPE) – for revitalisation of State-owned Company (SOC) training capacity and strengthening of FET/Industry partnerships
- Launch of Occupational Teams to assist in bedding down a concrete education and training pipeline across all professions
- DHET set up a dedicated unit to coordinate efforts targeting rural skills development needs
- Continuous improvement on access and throughput in all institutions

(DHET, 2013)

### 2.1.2 General challenges

In spite of the large sums of money present in the South African national skills development system, there has been little in the way of the commissioning of strategic research by either the Department of Labour (DoL) or international agencies since 1994. (McGrath & Badroodien, 2006)

Skills development in South Africa faces a number of challenges, some relating directly to SETAs and skills development legislation, as well as other broader issues. A number of these challenges are summarised below:

- According to Hatting (2013) the changes to the levy grant system to SETAs in the 2012 Grant Regulations are good in addressing specific challenges in the funding of skills development. However, by narrowly focusing funding from the skills levy on qualifications offered by public institutions, the Regulations fail to recognise the wide range of training needed to address the diverse national, sector, organisational and individual skills needs. Some critics feel that it is unlikely that the Regulations will advance the skills agenda or

promote strategic government objectives in the National Development Plan and the Human Resources Development (HRD) Strategy for 2010-2030 (Hatting, 2013).

- The operations of all SETAs should be standardised by a specific body appointed by the Minister of Education, since too many officials have too much power to disburse funds (Robertson, 2006). Funds allocated to respective SETAs are of concern and should be investigated if it is used for the same purpose as it was allocated to.
- According to Robertson (2006) communication with SETAs is also a challenge since stakeholders at individual SETAs simply cannot be reached, although they are public entities.
- The mismanagement of public funds is a huge tragedy, which is going to defeat the purpose of skills development in this country. This is the result of improper controls (Robertson, 2006). Huge amounts of money and a lack of transparency in the awarding of many contracts are allowing dishonest people to manipulate funding of education and training in a way that suits them.
- More rules and more controls are being implemented for SETAs. This means that more professional bodies and officials are needed to manage these changes. Organisations in education are more likely to have slow processes and be slow to grow their own staff (Miller, 2012).
- Miller (2012) states that the largest and most challenging group to provide skills development to, is the millions of unemployed, under-schooled, desperate and potentially volatile young people who see a community learning centre as a place for redress and a quick-fix entry point into the world of tertiary education and employment. The slow pace of a formal curriculum and the mixed group of students in the adult classroom, have left these young people dissatisfied and often further alienated.
- Challenges faced by learning centres and part-time educators, second-chance Matriculants and actual Adult Basic Education and Training (AET) students are not addressed by separate task teams advising the minister of education on the way forward.
- Another challenge centres around students who complete a very basic literacy course, as well as the failure of attempts to fill the public adult learning centres with new, eager students in the lower-level courses. Some students choose only basic literacy and decide not to progress, and it is the failure to link two separate systems - now also divided between two ministries - that remains a problem.
- A critical problem that is not addressed is the stop-start method of funding, which has resulted in thousands of adults completing one level of learning, only to wait a year or more for the programme to be offered again. Such haphazard funding shrinks the capacity of AET providers and leaves students disillusioned. (Mail and Guardian, 2012)
- On July 12, 2013 Higher Education and Training Minister Blade Nzimande stated that the Sector Education and Training Authorities (SETAs) are not serving their purpose (SABC, 2013). According to Nzimande, those who come through these facilities are still unemployable. Nzimande feels that SETAs are failing because they make use of private facilities, while they could use Further Education and Training (FET) colleges and universities. After a frank assessment of the sector, the Minister says that billions of Rands invested in the SETA programmes have gone to waste, as critical skills shortages remain.

## 2.2 Closing the gap

### 2.2.1 Gap between education and being able to transfer skills into workplace

The gap between the education provided to learners and the ability of the learners to transfer these skills into the workplace involves two aspects; namely, a skills mismatch and a lack of skills.

High vacancy rates in the presence of large scale unemployment, confirms the existence of skills mismatches. Mismatches are not confined to university graduates but also strongly affect young people with secondary education. (African Economic Outlook, 2013)

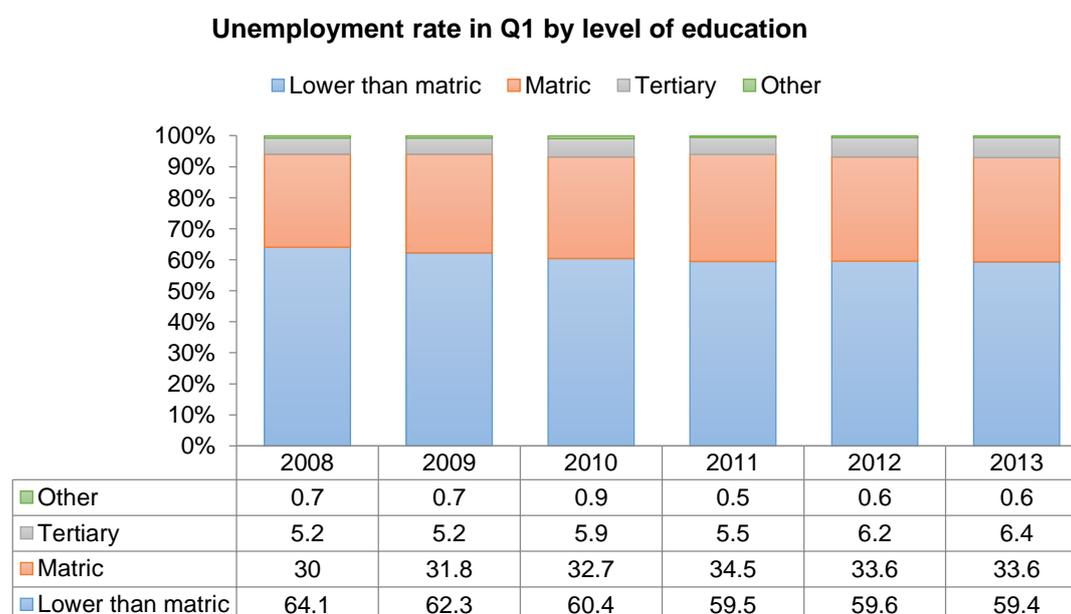
The analysis by the African Economic Outlook (AEO) has established a number of facts about youth employment and education:

- The chances of being wage-employed rather than in vulnerable employment, are significantly higher for young people with more education. For those in employment, wages are higher.
- Higher education is linked to higher unemployment among young people but lower unemployment among adults.
- Among those with higher education, the unemployment rate varies by type of educational degree.
- Young people with education face a higher likelihood of unemployment and discouragement in Medium Income Countries (MICs) than in Low Income Countries (LICs).
- Discouragement and being out of the labour force are higher among young people with no, or only a little, education. Overall, not in employment, education or training (NEET) rates are lowest among young people with tertiary education.
- The analysis suggests that much unemployment and even discouragement, observed among educated young people, are largely transitory phenomena and the result of the better-off queuing for good jobs. However, the length of this transition, which can often take many years, and the strong link between field of study and unemployment rate, suggest a serious mismatch between the skills that young people bring with them when they leave the education system and those that are sought after in labour markets.

(African Economic Outlook, 2013)

### 2.2.1.1 Unemployment

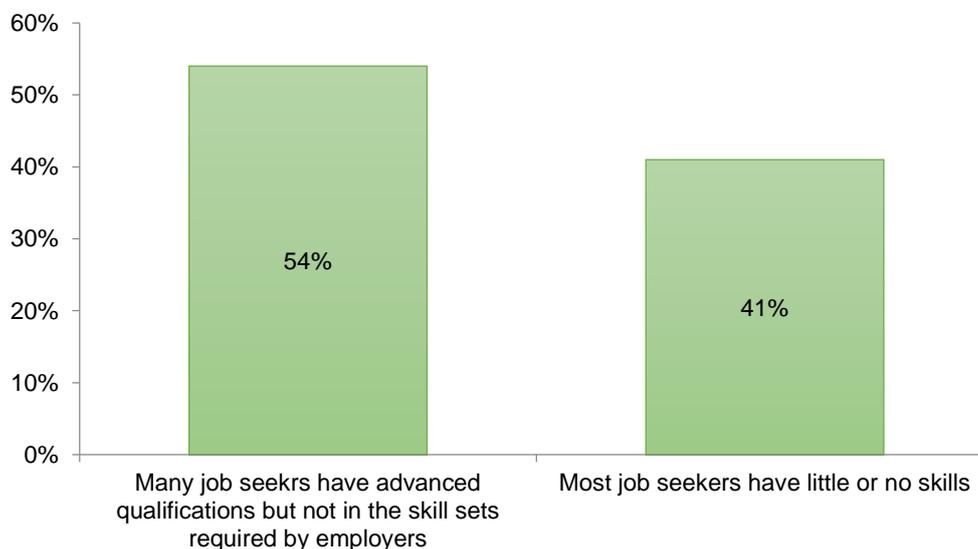
The unemployment rate by level of education indicates that the share of unemployed persons with educational levels lower than matric, has remained unchanged and accounts for approximately 60% of unemployed persons in South Africa. (Statistics SA, 2014) This can be seen in the figure below.



Source: Labour Force Survey, 2013

Figure 55: Unemployment rate by level of education

The absence of skills is a challenge, but a skills mismatch seems more prevalent. In a survey done by the AEO among experts in 36 African countries about the major challenges that youth face in labour markets, 54% found that a mismatch of skills between what job seekers have to offer and what employers require to be a major obstacle. 41% identified a general lack of skills among job seekers as a major obstacle. These figures can be seen in the figure below. (African Economic Outlook, 2013)



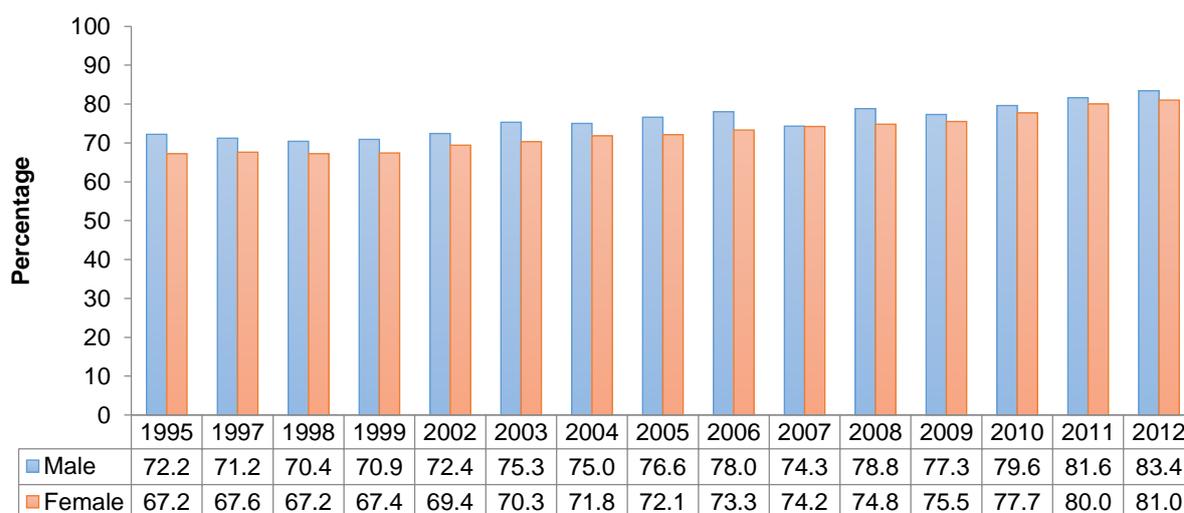
Source: AEO Country Experts Survey 2012

Figure 56: Skills mismatch and little or no skills

## 2.3 Education levels in South Africa

### 2.3.1 Literacy in South Africa: Completion of Grade 7 and higher

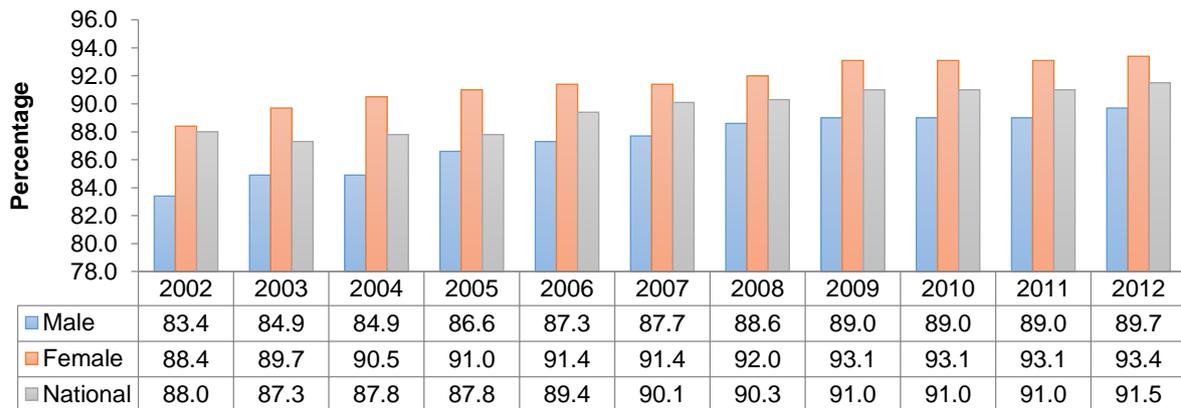
Literacy is evaluated in South Africa as the completion of Grade 7. In the figure below, it can be seen that although there has been an increase in adult literacy from 1995 to 2012, there is still a large portion of South Africans who are illiterate. The increase could be attributed to literate youths moving into this category over time and thus it can be concluded that there is a clear lack in adult education.



Source: Statistics South Africa, General Household Survey, 2010-2012, DBE own calculations

Figure 57: Percentage of the population aged 20 years and above who completed Grade 7 and above by gender, 1995 to 2012

**Percentage of 15 to 24 year olds who completed Grade 7 and above, 2002 - 2012**



Source: Statistics South Africa, General Household Survey, 2010-2012, DBE own calculations

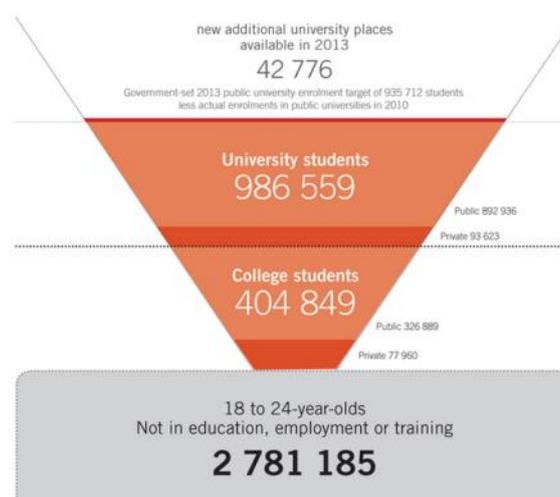
Figure 58: Percentage of 15 to 24 year old youth who have completed Grade 7 and above, 2002-2012

## 2.4 Educational institutions

The shape of the post-secondary education sector is set out by the Centre for Higher Education and Training (CHET) as in the figure below, with an inverted triangle shape. This shape is not conducive to narrowing the skills shortage in South Africa.

A few factors to consider within the inverted shape:

- When the shape is inverted, it is a clear indication that College is not an appropriate alternative for students who seek further education and only a few accept the alternative.
- There are not enough places available for new students in the university space to absorb the more than 2.7 million students who are not in an educational institute or training and unemployed. The College space should be geared to absorb most of these students.
- The University space is over capacity and quality suffers.
- The focus should be to create quality opportunities in the College space.



Source: CHET, 2013

Figure 59: Post-secondary education sector

Educational institutions are the groundwork for the evolvment of the skills shortage and narrowing the educational and skills gap in South Africa. In a report published by The World Bank, Human Development Group in October of 2011, Glen Fisher and Ian Scott describe the role of Higher

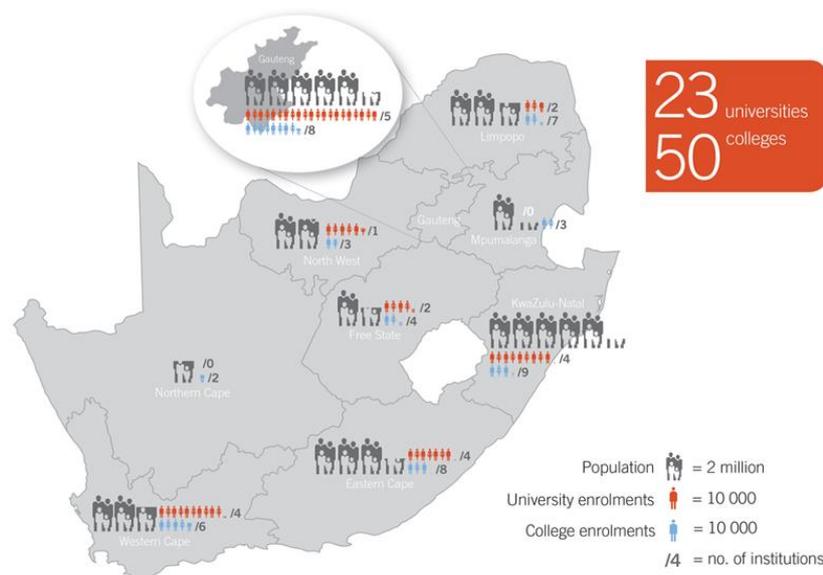
Education institutions as a uniquely important one to resolve the persistent skills shortage. The report describes the interaction between raising education and skill level to increase workforce productivity, and the innovative capacity of the economy as the main factors, along with quality of education, as the fundamental factors to propel economic growth. (Fisher & Scott, 2011)

The report confirms, as in the preceding section, that workers with higher levels of education have lower unemployment rates. However, it is stated that employers consistently identify the lack of skilled workers as a concern, especially in the manufacturing sector where the shortage persisted during the recent recession. In other words, the demand for skilled workers is there, but the supply of these workers are lacking, and despite the significant progress in expanding the access to education since 1994, higher education remains a “low participation - high attrition” system. (Fisher & Scott, 2011) Scott, Yeld and Hendry describe student outcomes as poor and highly unequal across both institutional types and racial groups. An example is given that the participation rate of the white population is over 50%, compared to a mere 13% for Africans. African students comprise almost two-thirds of higher education enrolments, yet only 5% succeed in any form of higher education.

The Centre for Higher Education Transformation (CHET) graphically illustrates the undergraduate throughput rate with the figure below. Of 32 178 students who registered in 2005, 30% dropped out in the first year of studies and 27% completed the degree within the minimum required time. Over a five year period, it can be seen that just over half of the students who enrolled in 2005 completed a degree, and just under half dropped out of studies completely. (Centre for Higher Education Transformation, 2014)



Figure 60: CHET undergraduate throughput



(Centre for Higher Education Transformation, 2014)

Figure 61: Geographical spread of learning institutions

In order to comprehend the situation in South Africa, literacy level is discussed in this section followed by discussion on the current situation of attendance at educational institutes by attendance per age group, cause of non-attendance, problems at educational institutes and repeaters.

#### 2.4.1 Attendance of educational institutions

All South Africans aged between 15 and 17 should be attending an educational institutions. However, this is not the case, as seen in the figure below.

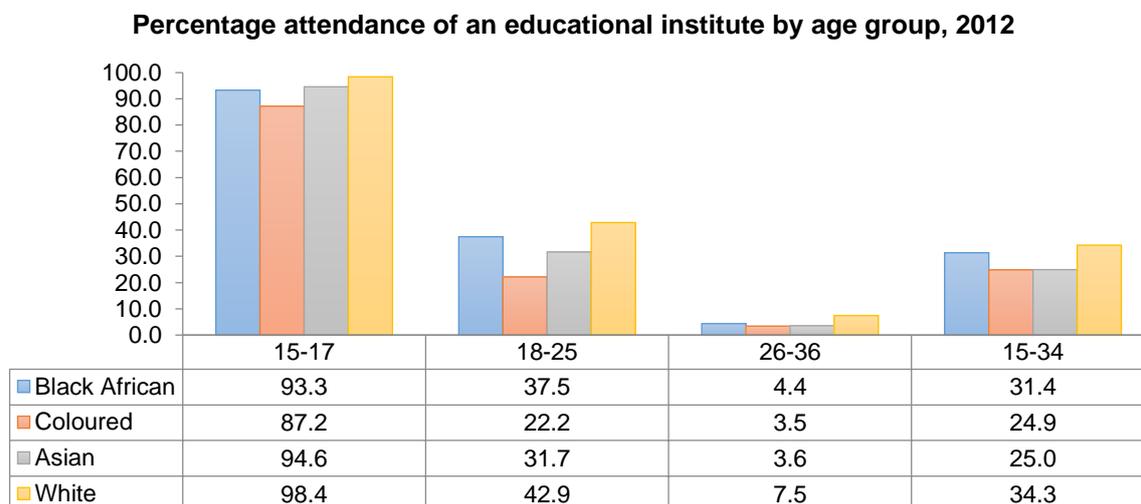
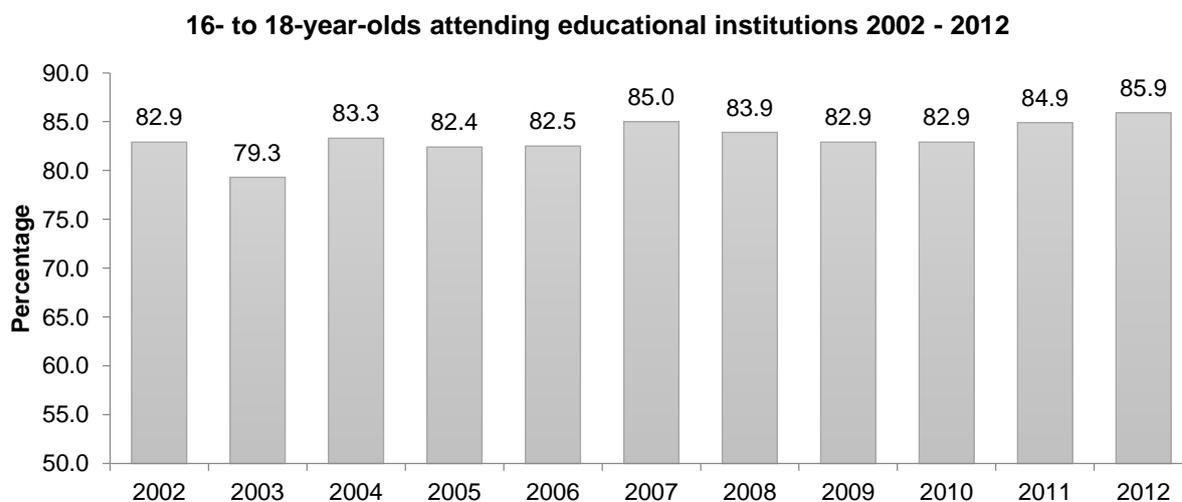


Figure 62: Percentage of youth that attended an educational institution by population group and age, 2012 (StatsSA, 2013)

The attendance of an educational institution at the critical age of 16- to 18-years old, is a proxy for the reach of the educational system. The General Household Survey of 2012 with focus on Schooling by StatsSA, reports the attendance of this age group. It is of concern that trends in enrolment figures reveal that attendance among this group of 16- to 18-year-olds has not changed significantly over the period from 2002 to 2012, as seen in the figure below. The increase over these ten years is a mere 3%, and the approximate percentage of 16- to 18-year-olds in South Africa attending some form of educational institute is 86%. This leaves a substantial 14% of youths in this age category with non-attendance. (Department of Basic Education, 2014)



Source: Statistics South Africa, General Household Survey, 2002-2012, DBE own calculations

Figure 63: 16- to 18-year-olds attending educational institutions, 2002 to 2012

The General Household Survey of 2012 with focus on Schooling by StatsSA, shows the breakdown of the attendance of this group per province in the figure below. Limpopo has the highest percentage of children in this age group participating in educational institutions, at 94% in 2012. Western Cape has the lowest percentage of 16- to 18-year-olds attending educational institutions, at 80% in 2012, although the Western Cape has increased from nearly 73% in 2002.

Table 12: Breakdown of attendance per province

Province	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Eastern Cape	83.0	78.5	78.5	80.9	83.9	85.4	83.0	80.9	81.8	83.3	85.1
Free State	85.4	86.0	86.6	88.7	83.3	90.7	85.8	83.8	83.9	86.3	87.2
Gauteng	87.7	86.5	85.6	84.2	80.6	82.2	85.6	87.2	85.1	81.7	85.7
KwaZulu-Natal	79.3	81.9	82.0	81.4	83.3	83.7	84.6	80.7	80.5	85.7	85.3
Limpopo	88.2	89.3	91.5	87.4	89.3	92.1	90.0	91.5	92.0	93.1	94.2
Mpumalanga	86.2	57.7	88.1	86.7	85.5	93.2	87.1	84.5	85.2	86.7	85.4
Northern Cape	81.2	80.8	84.3	83.9	84.1	81.6	79.1	81.4	79.2	84.9	81.9
North West	71.0	67.7	68.8	75.4	71.9	77.8	76.0	73.4	79.6	79.2	80.6
Western Cape	72.6	73.2	72.6	69.7	66.0	73.7	71.6	73.7	73.6	76.4	80.4
<b>National</b>	<b>82.9</b>	<b>79.3</b>	<b>83.3</b>	<b>82.4</b>	<b>82.5</b>	<b>85.0</b>	<b>83.9</b>	<b>82.9</b>	<b>82.9</b>	<b>84.9</b>	<b>85.9</b>

Source: StatsSA, GHS, 2002-2012

## 2.4.2 The causes of non-attendance

The General Household Survey (GHS) of 2012 with focus on Schooling by StatsSA, includes the reasons given for non-attendance for 7- to 18-year-olds in an educational institution. The main reason for non-attendance is "No money for fees". The reasons given can be seen in the table and graph below.

Table 13: Reason for non-attendance of educational institute

Reason for non-attendance	2009	2010	2011	2012
No money for fees	27.9	31.2	26.8	25.1
Education is useless or not interesting	14.8	9.3	13.1	11.3
Unable to perform at school	6.8	6.9	8.4	7.8
Family commitment (e.g. child minding)	4.9	6.1	7.1	9.0
He or she is working at home or business/job	5.8	7.4	6.3	7.6
Has completed education/satisfied with my level of education/do not want to study	5.9	5.9	5.3	5.6
Pregnancy	6.1	4.5	5.0	4.2
Illness	5.4	4.4	4.8	5.3
Disability	5.1	4.2	3.9	5.0
Failed exams	4.1	3.2	3.9	4.7
Not accepted for enrolment	2.4	2.4	2.4	2.6
Too old/young	1.6	1.5	1.4	2.2
Do not have time/too busy	0.9	1.7	1.2	0.8
Got married	0.9	0.2	0.8	0.3
Education at home/home schooled	-	-	0.7	7.9
Difficulties to get to school (transport)	0.2	0.1	0.5	0.5
School/education institution is too far	0.2	0.3	0.4	0.2
Violence at school	0.2	0.3	0.3	0.2
Other	5.6	8.1	7.7	-

Source: StatsSA, GHS, 2002-2012

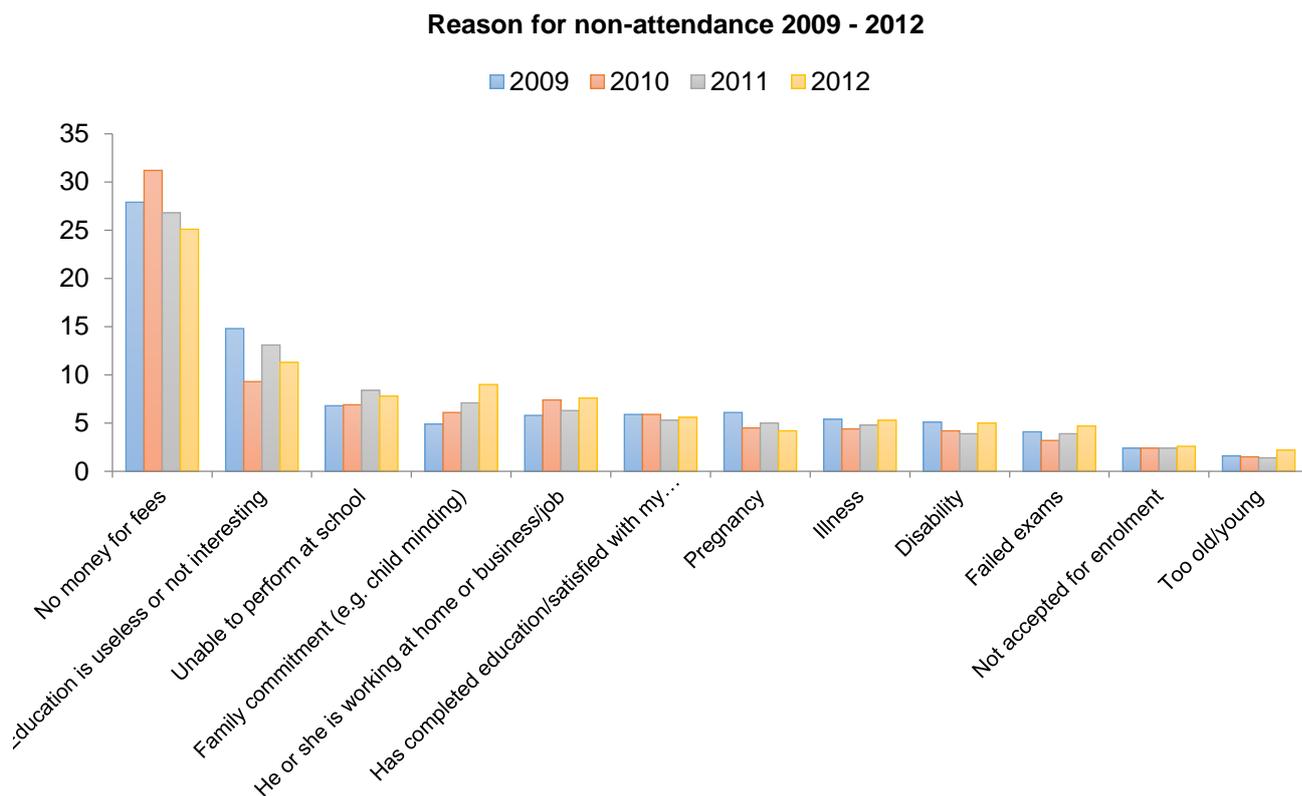
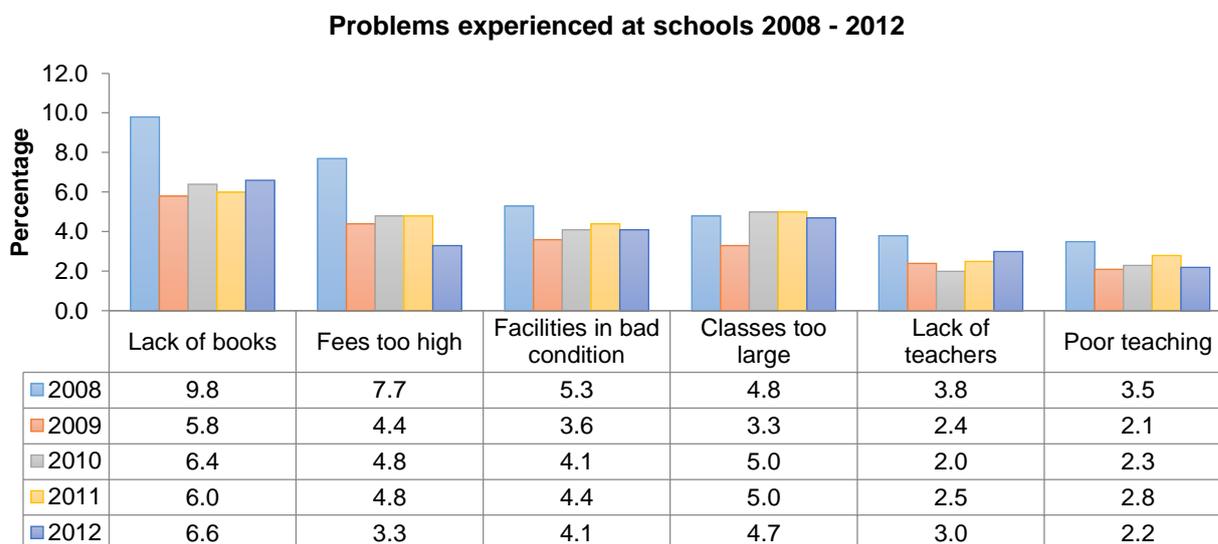


Figure 64: Reason for non-attendance of educational institute

### 2.4.3 Problems at educational institutions

Problems experienced at schools, indicated in the figure below, were mainly a lack of books.



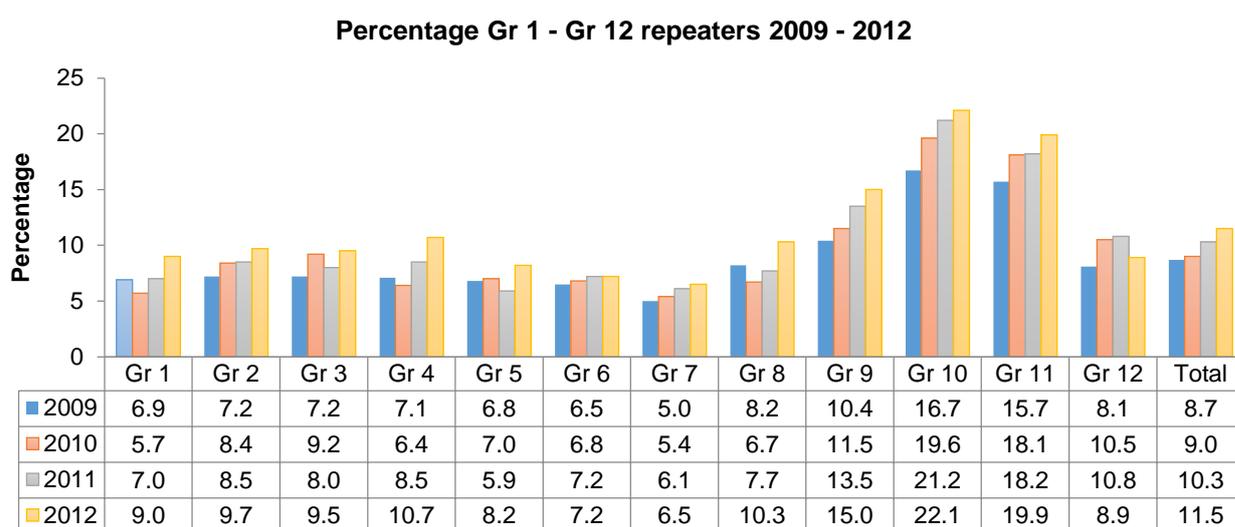
Source: StatsSA, GHS, 2002-2012

Figure 65: Problems experienced at schools

## 2.4.4 Repeaters

The percentage of repeaters is defined as the total number of learners who are enrolled in the same grade as in a previous year, expressed as a percentage of the total enrolment to the specified grade. This indicator is used to measure the extent and patterns of repetition by grade, as part of measuring the internal efficiency of the education system. (Department of Basic Education, 2014)

In the graph below from the GHS survey, it can be seen that the most repeat students are in Grades 10 and 11.



Source: StatsSA, GHS, 2002-2012

Figure 66: Percentage repeaters

## 2.5 Delivery of Education

### 2.5.1 FET Colleges

In the report published by the DHET in 2014, *Statistics on Post-School Education and Training in South Africa: 2012*, the breakdown of students who wrote, students who passed and the pass rate for each qualification type can be seen. In the table below, it can be seen that pass rates for National Certificate (Vocational) [NC (V)] Level 4, Report 191 N3 and Report 191 N6 have declined from 2011 to 2012. (DHET, 2014)

Table 14: Number and percentage of students in public and private FET Colleges who wrote and passed, by qualification type, from 2011 to 2012

Year	NC(V) Level 4			Report 191 N3			Report 191 N6			Average pass rate (%)
	Number wrote	Number passed	Pass rate (%)	Number wrote	Number passed	Pass rate (%)	Number wrote	Number passed	Pass rate (%)	
2011	17 836	7 638	42.8	2 909	1 366	47.0	2 428	1 488	61.3	50.4
2012	15 334	6 018	39.3	9 928	3 724	37.5	8 735	2 902	33.2	36.7

Source: Statistics on Post-School Education and Training in South Africa (2011) National Examination Database, November 2012

## 2.5.2 Pass<sup>3</sup> and throughput<sup>4</sup> rates for NC (V) Levels at FET Colleges

Table 15: Number of public and private FET College students who entered, wrote and passed NC (V) examination in 2012

Province	NC(V) Level 2				NC(V) Level 3				NC(V) Level 4				Ave. pass rate (%)
	Nr enter	Nr wrote	Nr pass	Pass rate (%)	Nr enter	Nr wrote	Nr pass	Pass rate (%)	Nr enter	Nr wrote	Nr pass	Pass rate (%)	
Eastern Cape	9 769	4 243	2 045	48.2	4 114	2 340	1 088	46.5	2 251	1 901	803	42.2	45.6
Free State	3 116	1 223	336	27.5	581	308	130	42.2	376	274	104	37.9	35.9
Gauteng	14 958	8 231	3 059	37.2	5 013	3 542	1 360	38.4	3 606	3 215	1 300	40.4	38.7
KwaZulu-Natal	17 769	9 788	3 793	38.8	6 596	4 116	1 347	32.7	3 842	2 960	788	26.6	32.7
Limpopo	10 034	5 847	2 107	36.0	3 773	2 814	1 046	37.1	3 531	2 938	1 014	34.5	35.9
Mpumalanga	3 966	2 457	1 402	57.1	2 000	1 360	704	51.8	1 464	1 307	675	51.6	53.5
Northern Cape	1 474	541	202	37.3	512	263	71	27.0	249	214	73	34.1	32.8
North West	3 728	2 263	972	42.9	1 527	1 118	577	51.6	1 044	941	501	53.2	49.2
Western Cape	8 230	4 199	2 601	61.9	3 901	2 444	1 340	54.8	2 244	1 584	760	47.9	54.9
<b>National</b>	<b>73 044</b>	<b>38 792</b>	<b>16 517</b>	<b>42.6</b>	<b>28 017</b>	<b>18 305</b>	<b>7 663</b>	<b>41.9</b>	<b>18 607</b>	<b>15 334</b>	<b>6 018</b>	<b>39.3</b>	<b>41.3</b>

Source: DHET, Statistics on Post-School Education and Training in South Africa: 2012

The throughput rate is a good indication of the commitment a student had to finish the course when enrolling. The overall throughput rates can be calculated as:

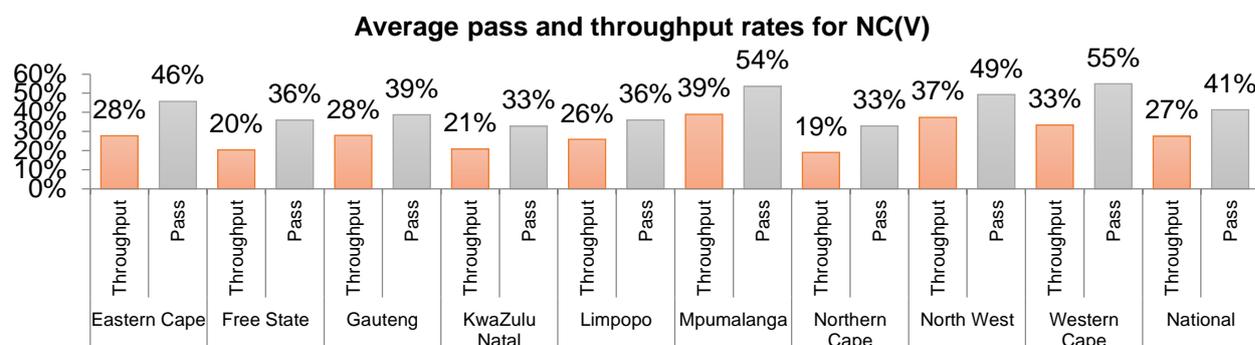


Figure 67: Average pass and throughput rates for NC(V)

## 2.5.3 Pass and throughput rate for Report 191 at FET Colleges

Table 16: Number of public and private FET College students who entered, wrote and passed the Report 191 N1-N3 December 2012 examinations for **engineering studies**, by province in 2012

Province	Report 191 N1				Report 191 N2				Report 191 N3				Ave. pass rate (%)
	Nr enter	Nr wrote	Nr pass	Pass rate (%)	Nr enter	Nr wrote	Nr pass	Pass rate (%)	Nr enter	Nr wrote	Nr pass	Pass rate (%)	
Eastern Cape	459	241	88	36.5	832	592	166	28.0	679	533	156	29.3	31.3
Free State	798	590	224	37.9	834	682	173	25.4	494	377	138	36.6	33.3
Gauteng	2 497	1 542	567	36.8	3 514	2 863	879	30.7	5 340	3 726	1 406	37.7	35.1
KwaZulu-Natal	1 501	1 060	320	30.2	2 692	2 231	741	33.2	2 857	1 975	756	38.3	33.9
Limpopo	433	288	115	39.9	1 655	1 272	294	23.1	2 084	1 463	481	32.9	32.0
Mpumalanga	781	629	286	45.5	1 330	942	229	24.3	1 424	1 013	485	47.9	39.2
Northern Cape	78	66	19	28.8	249	207	85	41.1	97	80	33	41.3	37.1
North West	650	472	141	29.9	1 446	752	166	22.1	566	382	123	31.2	28.1
Western Cape	1 096	542	321	59.2	1 042	613	280	45.7	675	379	146	38.5	47.8
<b>National</b>	<b>8 293</b>	<b>5 430</b>	<b>2 081</b>	<b>38.3</b>	<b>13 594</b>	<b>10 154</b>	<b>3 013</b>	<b>29.7</b>	<b>14 216</b>	<b>9 928</b>	<b>3 724</b>	<b>37.5</b>	<b>35.2</b>

Source: DHET, Statistics on Post-School Education and Training in South Africa: 2012

<sup>3</sup> Pass rate is equal to the number of students who passed a specified programme's examination, divided by the number of students who wrote the examination.

<sup>4</sup> Throughput rate is equal to the number of students who passed a specified programme's examination, divided by the number of students who enrolled for the programme.

Average pass and throughput rates for Report 191

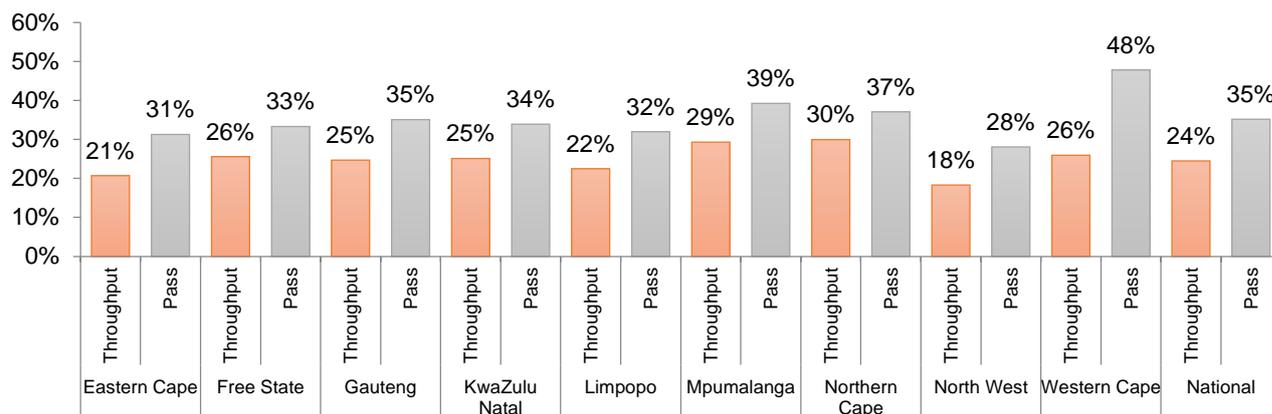


Figure 68: Average pass and throughput rates or Report 191

## 2.5.4 Adult Education and training (AET)

There were 3 305 public and private AET Centres in South Africa in 2011, with the bulk of these centres located in KwaZulu-Natal, while the bulk of learners are located in the Eastern Cape.

Table 17: Number of learners, educators and institutions in AET Centres by province: 2011

Province	Categories	Public and private AET Centres
Eastern Cape	Learners	37 776
	Educators	3 073
	Institutions	301
<b>Free State</b>	<b>Learners</b>	<b>15 869</b>
	<b>Educators</b>	<b>979</b>
	<b>Institutions</b>	<b>208</b>
Gauteng	Learners	84 117
	Educators	2 273
	Institutions	56
<b>KwaZulu-Natal</b>	<b>Learners</b>	<b>3 124</b>
	<b>Educators</b>	<b>3 542</b>
	<b>Institutions</b>	<b>991</b>
Limpopo	Learners	38 727
	Educators	1 769
	Institutions	827
<b>Mpumalanga</b>	<b>Learners</b>	<b>27 546</b>
	<b>Educators</b>	<b>1 706</b>
	<b>Institutions</b>	<b>268</b>
Northern Cape	Learners	5 107
	Educators	289
	Institutions	122
<b>North West</b>	<b>Learners</b>	<b>20 669</b>
	<b>Educators</b>	<b>1 130</b>
	<b>Institutions</b>	<b>235</b>
Western Cape	Learners	36 582
	Educators	1 204
	Institutions	297
<b>South Africa</b>	<b>Learners</b>	<b>297 634</b>
	<b>Educators</b>	<b>15 965</b>
	<b>Institutions</b>	<b>3 305</b>

Source: 2011 Annual Survey, August 2012

In this section, it is possible to evaluate the broad success of learners in South Africa over various institutions, by interpreting the throughput rates as well as the pass rates from the table below.

Table 18: Number of learners entered, wrote and passed, per province: 2011

Province	Entered	Wrote	Passed
Eastern Cape	11 050	6 440	1 609
Free State	5 547	3 654	1 026
Gauteng	11 083	7 692	2 460
KwaZulu-Natal	11 939	7 470	2 832
Limpopo	31 292	22 686	5 892
Mpumalanga	14 024	7 125	1 544
Northern Cape	7 502	4 507	1 059
North West	1 702	737	125
Western Cape	2 313	1 733	454
<b>National</b>	<b>96 452</b>	<b>62 044</b>	<b>17 001</b>

Source: National Examinations Database, September 2012

### AET Pass and Throughput rates 2011

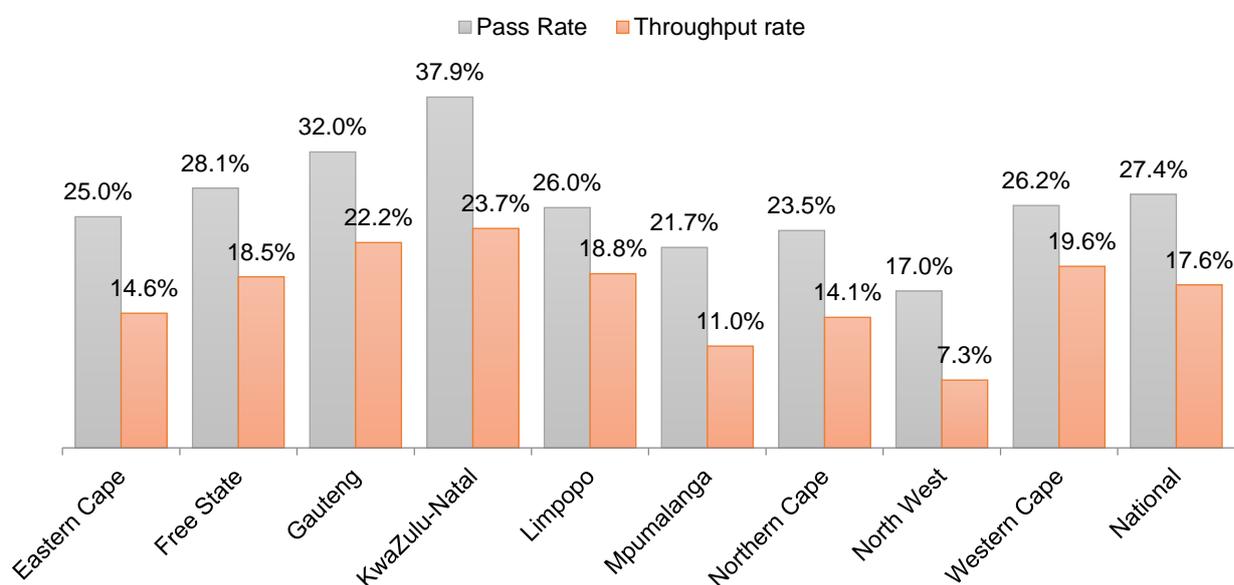


Figure 69: AET Pass and Throughput rates 2011

### The AET challenge

Triple E Training Holdings focuses on AET (Adult Education and Training) and confirms that there are millions of South Africans who have never had the advantage of receiving an education under the apartheid system. As a result, the focus on adult education in South Africa has become a priority over the past years. Education is no longer considered an advantage or privilege, but rather a basic human right. Consequently, there are many South Africans who have the right to adult education.

South Africa Web describes KwaZulu-Natal, Limpopo and the Eastern Cape as the provinces with the largest number of illiterate people. The Free State, Northern Cape and Western Cape have the lowest number of illiterate people. Language groups most affected by illiteracy are isiZulu, isiXhosa and Sesotho sa Leboa. (South Africa Web, 2014)

The 2003 Adult Education and Training policy document set out the consequences of years of neglect in adult education as follows:

- There are no national standards of provision. As a result, efforts to provide AET are fragmented, and programmes have minimal impact.

- There has been little or no recognition of the adult education sector as a whole, nor, in particular, for the educators of adults.
- AET provision has suffered from an inadequate infrastructure and support system, with minimal resources.
- There have been very few attempts to link AET to development and training. As a result, no inter-departmental and institutional linkages exist within government, the private sector and non-governmental organisations.
- State-provided adult education has had an inappropriate, narrow, formal school focus and, despite its location in the schooling environment, adult education has not been able to draw meaningfully upon the professional educational resources and infrastructure of the formal school system.
- These factors have made it impossible to treat AET as a coherent system of teaching and learning. In 1995/6, a total of 335 481 adult learners were participating in AET programmes throughout the country. While this figure is higher than was previously estimated, it is extremely low, even if South Africa aims to achieve universal adult basic education within a reasonable period of time.

(Department of Education, 2003)

According to Skills Portal, the conventional learner population in AET used to be second-chance learners (i.e. illiterate mature adults who never went to school, and semi-literate adults who had an interrupted schooling due to discriminatory educational practices). These learners are adults with responsibilities that they balance against the demand of learning. Consequently the environment of adult learning is more sensitive to situational challenges that could impede learning ability. (Daniels, 2013)

Daniels explains the issue as follows:

*“Anyone older than 15 who is not enrolled in formal schooling is considered to be an adult and is thus eligible to complete his general education through AET. The lack of a separate learning pathway for out-of-school youth who are re-entering education, has led to AET centres becoming catchment areas for adolescent learners.*

*There seems to be a lack of critical engagement about what this changing learner population is doing to the traditional ethos of AET centres, and the pressures that a more youthful learner population place on already overextended resources. The educational trajectory of formally schooled youths, differs greatly from that of the second-chance adult learners, which necessitates changes in course offerings and pedagogies to be inclusive. It is my contention that illiterate and semi-literate adult learners are being disadvantaged by these restructurings.”*

It should be noted that AET receives less than 3% of the national education budget and as a result, this limits financial, physical and human resources. The institutions do not have the capacity and ability to deal with the unique challenges that the formally-educated youth present to the AET system. Daniels feels that the Department of Basic Education needs to be reminded of their constitutional obligation to provide quality adult basic education to all learners, illiterate adults included. (Daniels, 2013)

### **Umalusi’s issues and recommendations**

The Council for Quality Assurance in General and Further Education and Training, Umalusi, is the quality assurer in the general and further education and training bands of the national qualifications framework (NQF). The Council ensures that the providers of education and training have the capacity

to deliver and assess qualifications and learning programmes and are doing so to expected standards of quality.

An overview of Umalusi research done over the period 2003-2011 describes recommendations and issues arising in the AET system.

*A well-functioning adult learning sector in education required:*

- *A **coherent national and provincial education system** that supported a unified and consistent approach to Adult Education and Training (AET)/adult learning.*
- ***Single, nationally developed and dated curriculum documents** for all learning areas and electives (created by the National DoE in collaboration with provinces, subject experts, and representatives of business, labour and civil society), which provided proper guidance on content and levels of achievement, and which were made readily available. Umalusi's guidelines for curriculum evaluation could provide a sound framework for curriculum development.*
- *Adult qualifications and curricula that could provide a pathway that began with learning to read and write and ended with being able to achieve a matric – or beyond. While it was important for the NQF Levels 1 and 4 curricula for adults to be determined, AET Levels 1–3 and NQF Levels 1 and 2 required curriculum input as well.*
- ***Standardised and centralised assessment**, especially if certification was to have specific and nationally recognised meaning. In the case of the General Education and Training Certificate (GETC), quality assurance of assessment required national curricula, where the DoE or the Independent Examinations Board (IEB) would be responsible for assessment, and centralised training plans in the case of industry-related qualifications, where the newly formed Quality Council for Trades and Occupations (QCTO), responsible for occupational qualifications delivered primarily in the workplace, would be responsible for assessment.*

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