

ARE WE THERE YET?

**Deriving objectives
for African
FET & TVET colleges.**

*October 2015
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Are we there yet?

*Climbing
mountains
on shifting
ground*



The approach: analysing the TVET terrain – shifting sands

UNESCO*

- Economic
- Equity
- Transformation

Presentation

- Labour market
- Human resource management & the employment relationship
- Skills development structures
- Interventions for equity & transformation

** 2012 UNESCO Transforming TVET Building Skills for Work and Life TVET 3/3 Paris*

Agenda: TVET in the changing world of work & employment

- The background & perceptions of TVET
- The challenges – youth unemployment, poverty, violence,
- Updates from international conferences on changing world of work
 - Employment relations
 - Labour law
- Challenges to work-integrated learning – the QCTO model
- Envisioning the future for TVET – not an end – a process

Adverse perceptions of TVET & FET colleges – why?

UNESCO UNEVOC conversations on improving the image

Lack of “parity of esteem” with universities

Negative images of the African continent



LABOUR MARKET & YOUTH UNEMPLOYMENT

	2014	2015*	%
Labour Force	20 268	21 246	
Employed	15 117	15 828	
Unemployed	5 151	5 418	25.5
Not active	15 221	14 867	

- Unemployment expanded definition = 34.4%
- Unemployment youth aged 25 – 34 = 30.3% & expanded definition 39%
- Unemployed with less than grade 12 = 58% previously disadvantaged
- Unemployed longer than a year = 3 591 = 66.3%
- Neither in employment nor education = 13 981 (15 – 34 = 7 219 = 51.6%)

*StatsSA QLFS Quarter 3 2015

Our National Challenges



Youth Unemployment

Crime, violence, warfare



Informal and insecure work

Technology & robotics



Redress + poverty + unemployment + post-colonial development



LABOUR LAW AMENDMENTS

Labour Law amendments and the TES model

Labour Relations Act (January 2015)

- Contracts longer than 3 months person “deemed” to be employee of client (s198) R205 433.30
- Assign Services (Krost) & NUMSA
- **CCMA award** – person “becomes” sole employee of the client company BUT
- **Labour Court judgement** - set aside - remains employee of TES & joint responsibility
- Labour Court judgement has set aside but not substituted
- Implications for Temporary Employment Services (labour brokers)
 - LRA obligations if client company terminates

Impact of TES amendments

Research*

- Response to amendments by TES clients:
 - Direct contract and made permanent = approximately 27%
 - Lost jobs through retrenchment or termination = just under 60%
 - Remainder no change
- Impact for learnership model
 - Implications for Learnership Agreements (18(2) previously unemployed)
 - Learnership agreement and
 - Employment contract cannot be cancelled before end of Learnership duration

**Bhorat, Magadla & Steenkamp "Employment Effects in the Temporary Employment Services TES Sector: Post-Regulatory Amendment Effects" 2015 and Bhorat, Cassim & Yu "Temporary Employment Services in South Africa: Assessing the Industry's Economic Contribution" 2014*

Labour Law amendments – international trend

ILERA & ISLSSL conferences (September 2015)

- Presentations on temporary employment agencies and outsourcing
- Germany – create agency and “hire back” to company
- de-regulation did coincide with economic benefit but now re-regulating
- Colombia – also cooperatives – de-regulation has not produced economic benefit proposed
- Nigeria – various forms of non-standard employment

General message is that the employment relationship has been fundamentally changed – and will continue to change with new technology

Impact of amendments on Skills Development

- “Deeming” - impact on complement numbers – implications for TVET

EEA obligations of designated employer

- Equal pay for work of equal value
- Permanently employed compared to previously unemployed learners
- Occupation wage rate compared to Learnership stipend
- Knowledge and competence - how occupations evaluated - TVET

Status of Sectoral Determination and BCEA – employment status (18(2))

- UIF proposed for learners (UIF Amendment Bill 25-2015 GG No.39273)



CHALLENGES TO WORK-BASED LEARNING

Benefits of work-based learning

- Combines work and learning in current workplace environment
- Improves skills and job match
- Offers a stepping stone into the labour market & maybe a job offer
- Apprentices receive a recognised portable occupational qualification
- Company can rely on job knowledge, skills, and competences
- Financial support for company
 - Learner tax allowance @ start & end
 - Sector Education and Training (SETA) support
 - Youth wage subsidy

Meeting the challenge

QCTO Model

- Knowledge
- Applied skill
- Actual workplace experience

Workplace Changes

- Outsourcing
- Temporary employment agencies
- Fixed term contracts
- Zero hours contracts

Conclusion

- Skills development key means of redress and reducing levels of unemployment
- QCTO qualification structure requires workplace and employer participation
- Against a tide of informalisation & casualisation – outsourcing and temporary employment agencies
- Potential challenges for equal pay for work equal value and equal benefits
- What positive role can TVET play?
- Enormous potential to provide the practical vocational and technical skills that will be needed to fill multiple jobs, different jobs, and self employment

#UCT STUDENTS HAVE RISEN

28 October 2015
UCT decides to insource

