

# IMPLEMENTING DUAL APPRENTICESHIPS: LESSONS FROM SOUTH AFRICA

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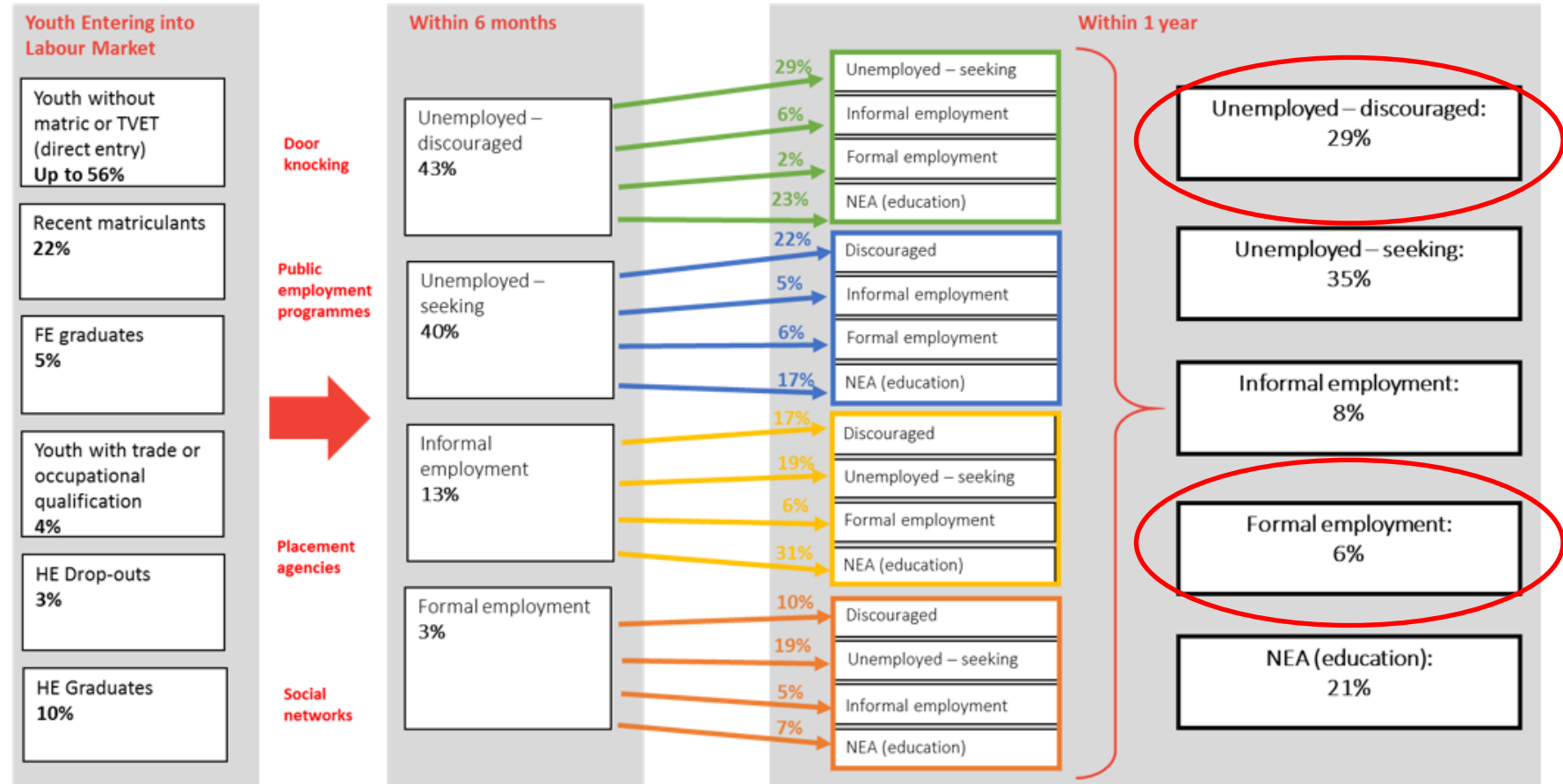
## Situation in South Africa: Problem Statement

- Significant investments in TVET and skills development, but access to formal apprenticeships are blocked for large numbers of young people.
- Constraints in both supply and demand, as well as in the supply-demand interface.
- For the majority of youth, their best option is to be employed in a low skilled role and hope that an opportunity emerges to progress towards a trade over time.
- The most common outcome is that large number of young people get trapped in low-skilled, low-paying and highly precarious jobs with little opportunity for career progression.

# There are poor transitions from Learning to Earning

## Labour market Youth Transitions – African Youth

Based on SALDRU (2008) analysis of the Stats SA Labour Force Survey Panel (15 to 24 year olds)



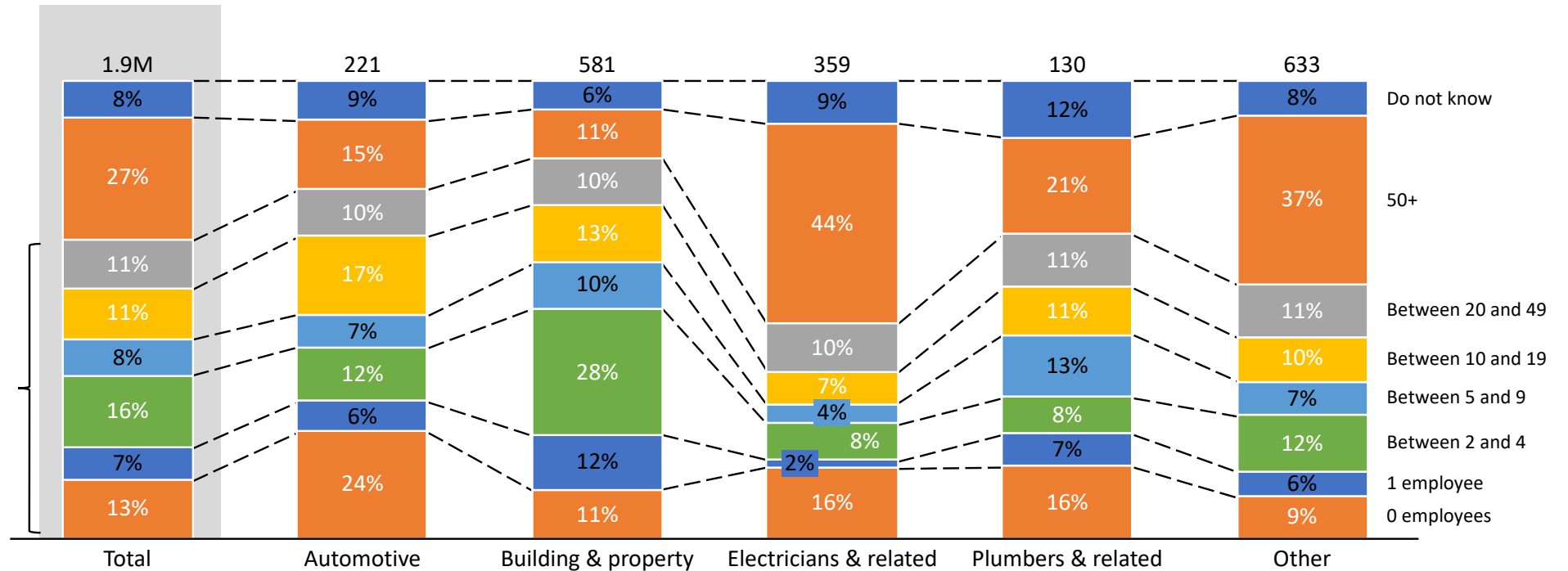
Source: SALDRU (2008) Stats SA Labour Force Survey Panel (15 to 24 year olds)

# SMEs are the key

## Number of employees at place of work

Total (thousands), percent of total

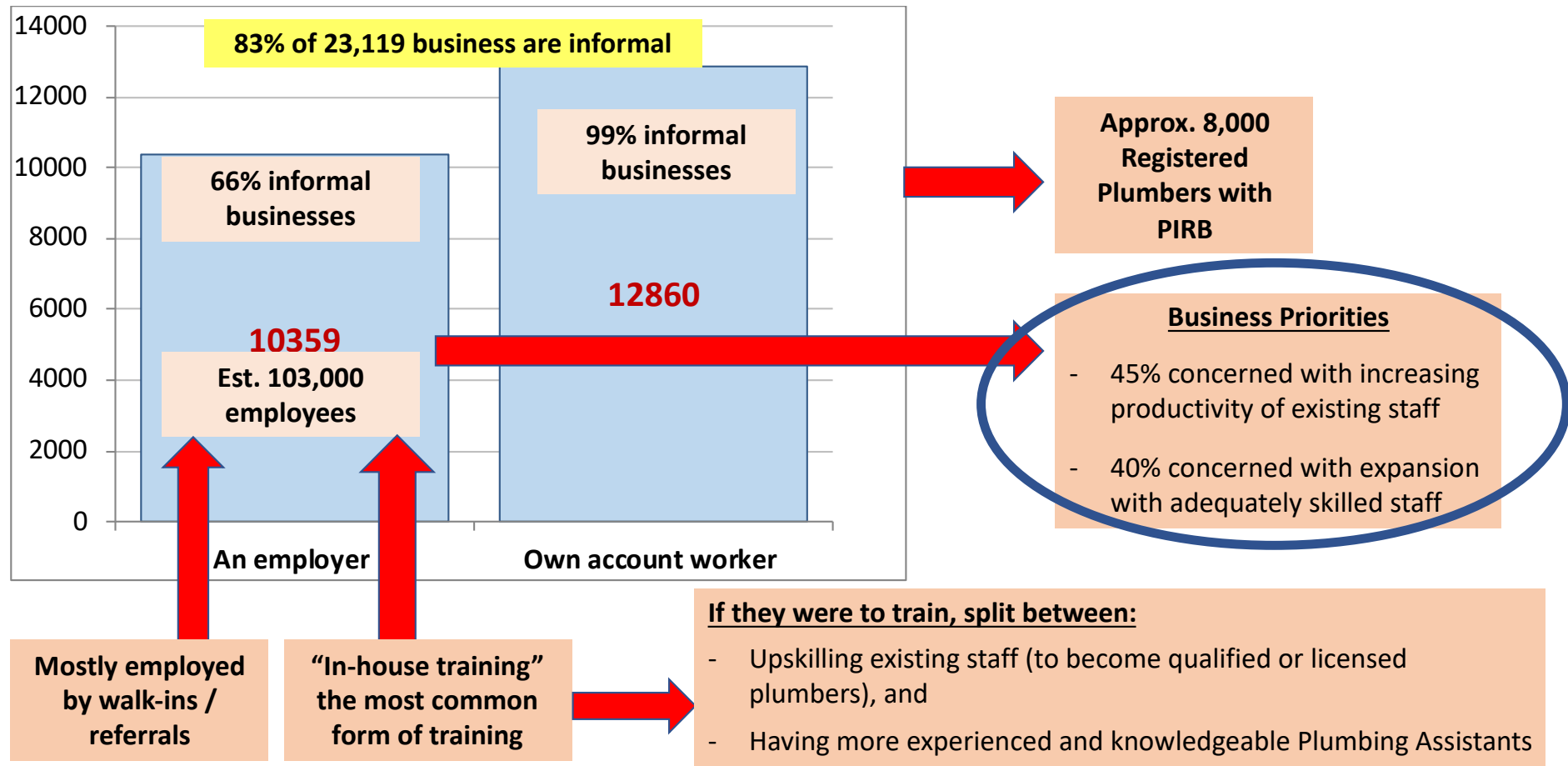
*~66% of IRM jobs are within companies that have less than 50 employees, constituting these firms as micro and small enterprises<sup>1</sup>*



*Substantial variation...*

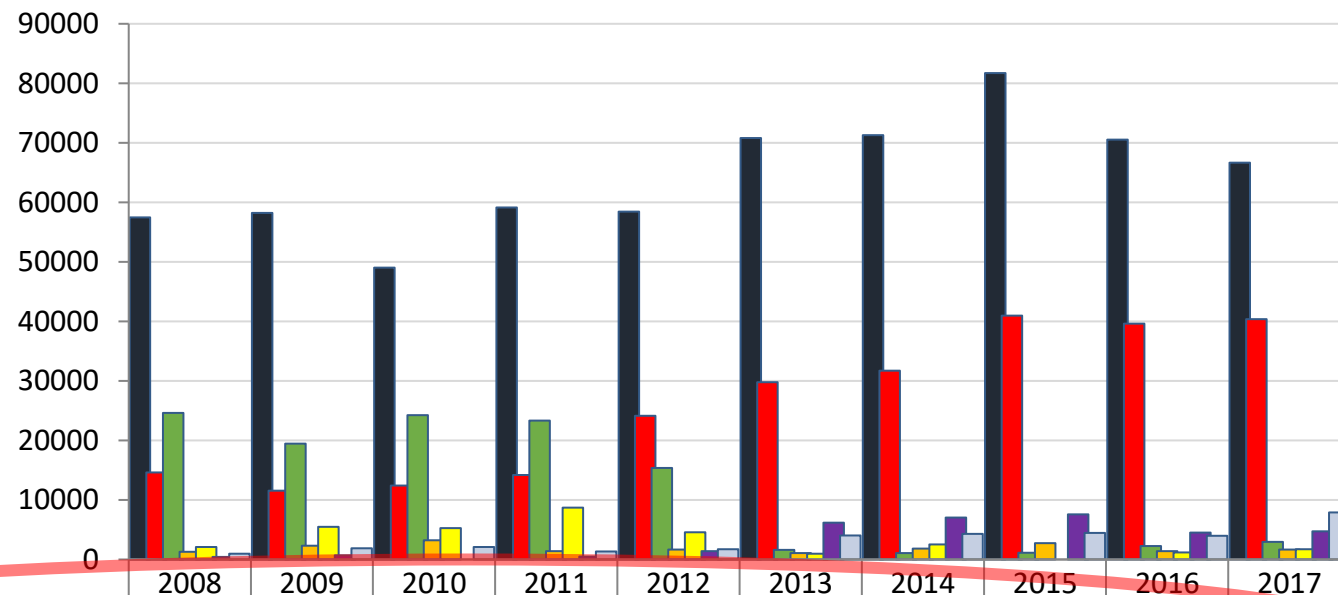
# Majority of Artisanal Businesses are Informal

## Profile of Plumbing Industry

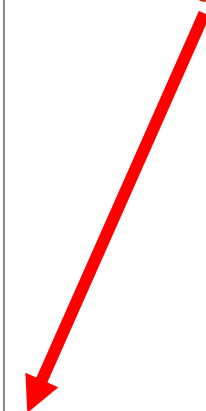


# Limitations for Growth off Low Skills Base

## Profile of Plumbing Industry



85% have Grade 12 or less and no technical qualification



	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
■ Incomplete matric	57507	58220	49060	59137	58452	70808	71292	81739	70580	66696
■ Matric	14592	11574	12397	14206	24142	29807	31741	40953	39632	40358
■ N1-N3	24595	19440	24258	23307	15380	1605	1041	1108	2259	2940
■ N4-N6	1266	2315	3211	1359	1677	1083	1813	2703	1402	1676
■ Certificate/Diploma without matric	2094	5448	5233	8697	4532	927	2496	0	1153	1708
■ Certificate/Diploma with matric	404	680	0	484	1358	6164	7047	7572	4484	4731
■ University qualification	946	1869	2107	1347	1711	4027	4299	4465	3985	7872

Source: Statistics SA, LMD 2008-2017

# Implementing dual apprenticeships

- Like the rest of Africa, dual apprenticeships are gaining increasing focus in South Africa.
- The Centres of Specialisation programme is an intent by government to integrate dual apprenticeships into the TVET system
- While in early stages, successes thus far include
  - **Placing business associations in the driver's seat.** Employers have embraced their driving role and are engaging more effectively with colleges
  - **There is a strong integration of institutional and workplace learning through a structured rotation process.**
  - **Colleges were required to recruit qualified artisans for the trades concerned and ensure their training workshops met industry standards.**
  - Shift in the culture in the colleges towards adopting a demand-led culture of delivery.
- Enrolment numbers are limited and large majority of TVET students will not be able to access these opportunities.

# Constraints to dual apprenticeships in MSMEs

- High levels of regulation, structure and minimum standards which MSMEs find difficult to manage.
- Informal MSMEs in particular are ill-equipped to operate formal apprenticeships.
- Owners and workers in MSMEs are not necessarily suitably qualified to meet the standards of training.
- Opportunity costs associated with disrupted productivity.
- Pervasive disconnect between formal TVET and workplace training (particularly in relation to MSMEs).
- Incentives associated with apprenticeships distort the labour market and do not lead to greater economic inclusion.



# Overcoming constraints - the role of industry associations

- Collecting and aggregating data on demand.
- Creating appropriate credentialling / recognition frameworks for skills.
- Determining appropriate curriculum and minimum standards for training
- Lobbying for incentives and funding mechanisms
- Supporting enterprises to create effective learning environments.
- Formalizing the skills of young people already working in these enterprises.
- Opening opportunities for new entrants into workplaces.

# Lessons learned: creating demand in the informal economy

- Informal MSMEs face a number of inherent barriers to market access, growth and sustainability
- In order to realise workplace training and employment in MSMEs, substantial enterprise development support must be provided to:
  - Increase access to technology, markets and finance.
  - Upgrade technical, pedagogical (mentorship) and business skills of the master craftperson / artisan.
- A key requirement is identifying entrepreneurial artisans in the informal economy that demonstrate the potential to grow and create jobs.
- Provision of enterprise development support must be an incentive for taking on young apprentices
- Necessary demand conditions for good quality apprenticeships to be implemented.

## Lessons learned: and on the supply-side....

- Design agile dual learning pathways with low barriers to entry but structured to meet minimum standards for training and employment.
- Pathways should prioritise employment while providing a route to qualifications.
- Institutional change interventions towards working with MSMEs (both formal and informal).
- Capacity building of formal TVET institutions to deliver project-based skills interventions.
- Intermediary organisations to match the supply of skills to labour market opportunities and manage transitions.
- Demonstrate a sustainable funding mechanism that combines fiscus-based funding for institutional training and levy-based funding for workplace training.

THANK YOU FOR YOUR ATTENTION

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