



3RD HRDC SUMMIT 2018

*Partnerships revitalising
work and learning*



REPUBLIC OF SOUTH AFRICA

Partnering to innovatively develop SA's human potential



HRDC

HUMAN RESOURCE DEVELOPMENT COUNCIL
of South Africa

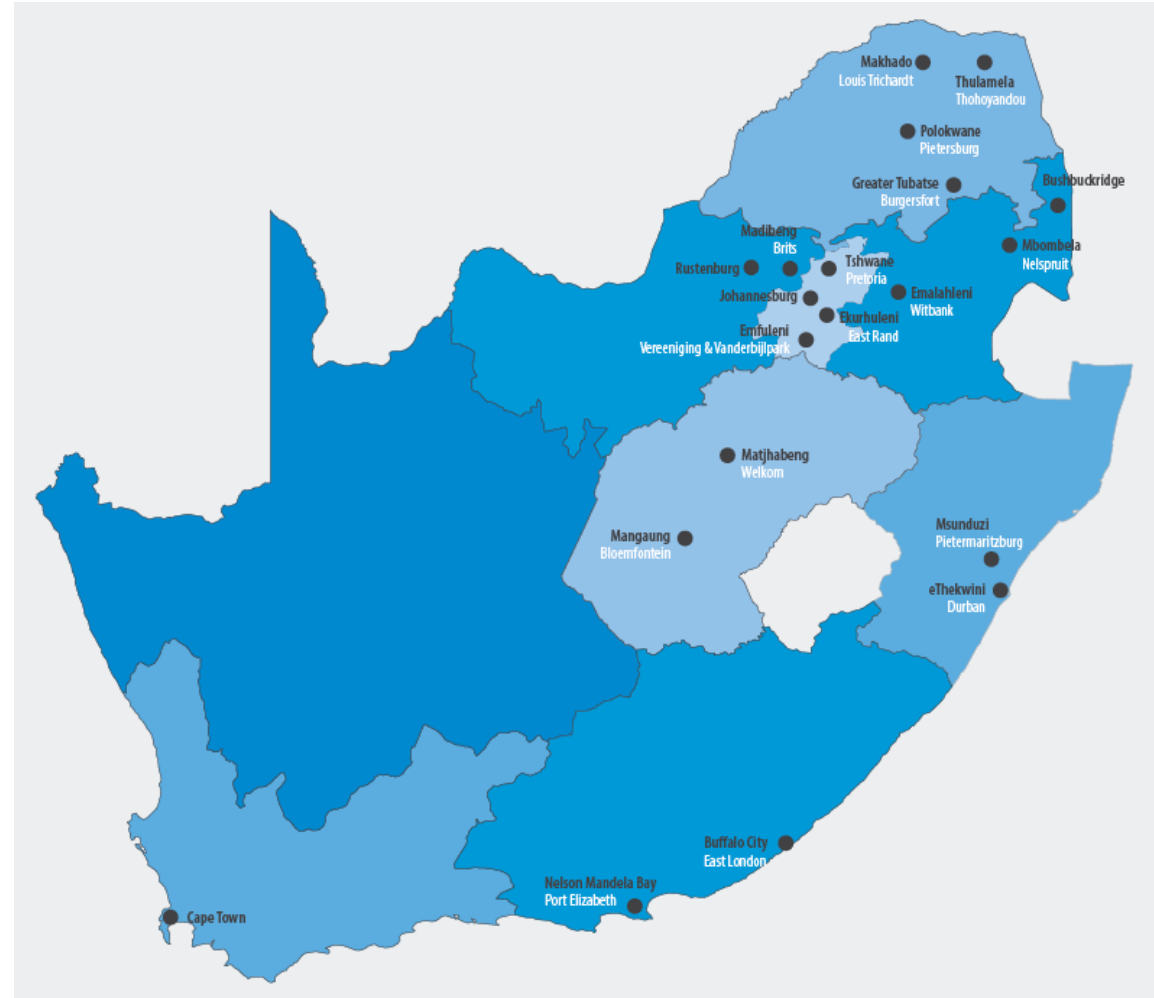
7.5 million

“Doing nothing, going nowhere”

NEETS: Not employed, not in education, not in training

CDE's Approach

- 20 youth unemployment hot spots
- More than 60% of young unemployed
- Over 700 people
- 40 workshops/discussions
- 8 provinces



Democratic SA: many neglected issues

Spatial legacies have not been dealt with Democratic SA

- No rural strategy
- Not thought hard enough about former homelands, forced removals, impact of grand apartheid
- No strategy to deal with rapid urban migration, expanding cities, urban spatial apartheid
- Local government discussed too often in isolation from national economic realities

One result: Millions of young people neglected, excluded from economic opportunity

Spatial differences

Municipality	Major Towns	Youth Unemployment-broad (%), 2011	<u>Economic growth rates, 2011</u>	Poverty Levels		
				Income poverty	Multi-dimensional poverty	Higher Edu(20-24), %
Bushbuckridge	Bushbuckridge	75.6%	1.3%	84.0%	34.8%	2.8%
Matjhabeng	Welkom	57.6%	-0.8%	62.0%	29.4%	5.8%
Nelson Mandela Bay	Port Elizabeth	55.7%	3.6%	57.6%	26.2%	7.0%
Buffalo City	East London	55.1%	2.6%	60.9%	30.7%	6.9%
Emfuleni	Vereeniging	52.4%	1.0%	52.8%	20.4%	9.6%
Ethekwini	Durban	49.1%	4.0%	52.5%	22.7%	7.3%
Mbombela	Nelspruit	48.4%	1.5%	62.8%	25.0%	4.9%
Ekurhuleni	East Rand	43.9%	4.4%	44.2%	23.6%	8.1%
Rustenburg	Rustenburg	40.9%	3.4%	40.6%	27.7%	4.4%
City of Tshwane	Pretoria	39.9%	3.6%	38.9%	19.9%	13.0%
City of Cape Town	Cape Town	39.8%	3.9%	42.4%	22.5%	8.9%
City of Johannesburg	Johannesburg	38.4%	3.7%	39.0%	19.1%	10.6%

People say...

- Protect local workers and entrepreneurs
- Expand government employment
- Municipalities must create employment
- Youth entrepreneurship
- Job search/job matching

Cities, towns and regions

- Vast country, diverse urban and rural areas
- Many rural towns with no economic prospects
 - Eg Bushbuckridge
- Many municipalities
 - Riddled with corruption
 - Little capacity
 - Cannot even do the basics

Help people not dead end places

Cities, towns and regions

Stop ignoring rural young people, smaller cities and towns

- Need to be connected to economic opportunity
- Focus on making young rural people more mobile, more informed
- Labour Centres?

Towns/cities with potential

- More business friendly municipalities
 - Growth coalition – WB Competitive Cities
 - Red tape/zoning
- SEZs
- **Most jobs will be in big cities and local growth dependent on national reforms**



SA needs a strategy for rapid growth

- Return to growth **prerequisite** for faster employment growth
- Must **prioritise growth & jobs** – New Deal?
- Growing economy makes all firms more viable
- Lots of new firms – good for employment growth and transformation

Different conversation about growth, reform and jobs essential

Incentivise firms to employ people

- Workers must be protected, and South Africa's wage-setting machinery must be fair to all parties. But ways must be sought of achieving this without serving as a disincentive to create employment
- Encourage apprenticeships, internships, etc – but across the board and sustainable
- Extend youth wage subsidy
- Review HLP recommendations for those with no connection to the labour market
- SA needs industries to employ low-skill people
 - Light manufacturing; EPZ Nelson Mandela Bay
 - Other industries

Stop encouraging firms to hire fewer people – reforms essential

Education counts

- Better basic education
- Better vocational education and training
- **BUT** this is not an employment strategy
- Think of all the people left behind
 - Progress through school system leaves many behind
 - Current NEETS



SA's employment strategy needs this and other priorities

An agenda for action

- Faster **growth**, many more **firms**
- Millions more **jobs**
- Reduce **costs of employment** for young people
- Support **urbanization**
- Flood poor areas with **improved schools** and work relevant **training**

Growth and jobs must trump all other priorities

9. Questions??



Thank you