



edtea

Department :

Economic Development, Tourism and
Environmental Affairs

PROVINCE OF KWAZULU-NATAL

ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS

**Education, Employment, Employability & Entrepreneurship in South Africa
HRD Strategy Consultation Workshop
Durban**

18 August 2017

Presentation Outline



- **South Africa's challenges**
- **Labour market trends**
- **Education & Employability**
- **Entrepreneurship**
- **Conclusion**

South Africa's Challenges



Population

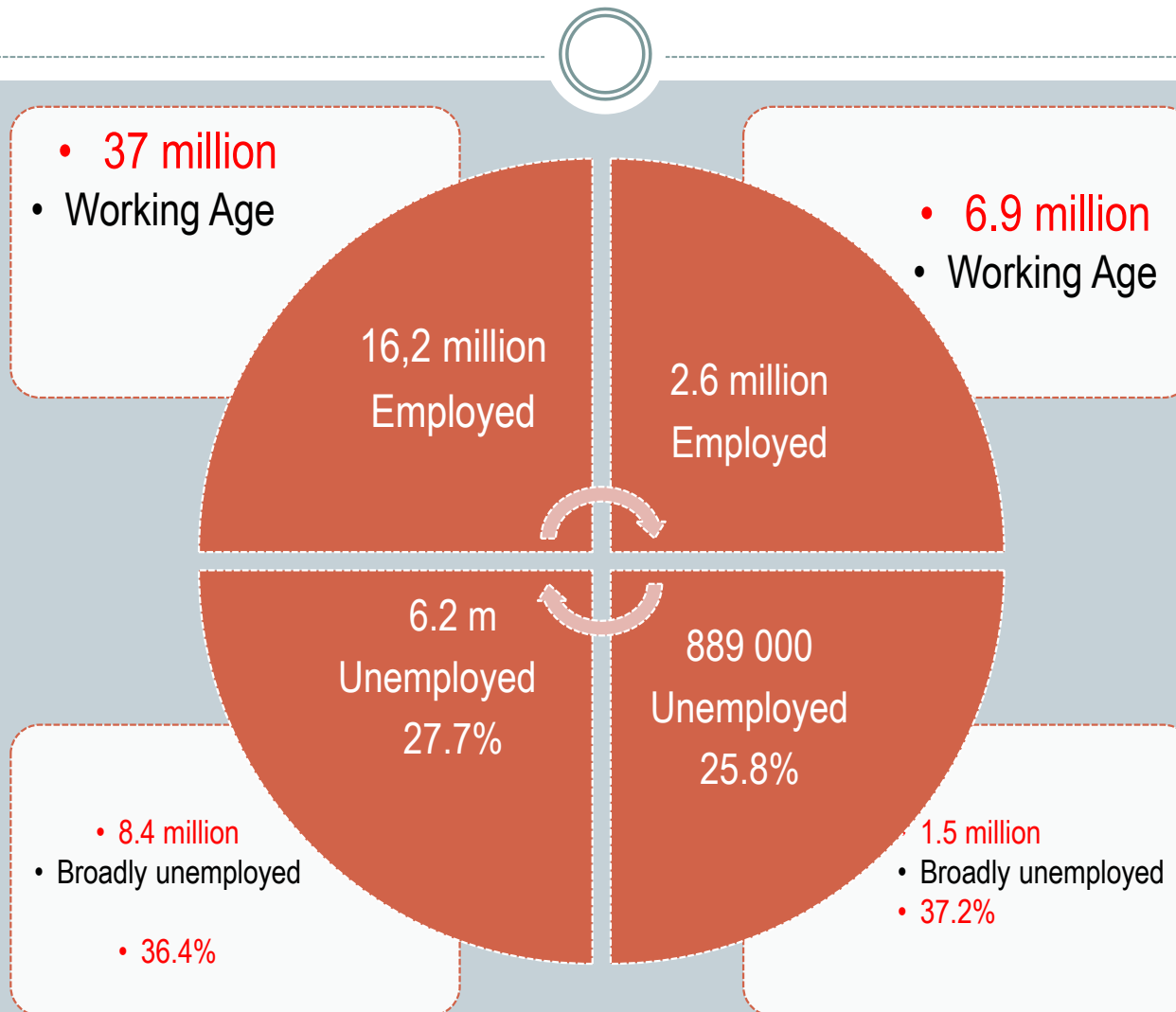
South Africa's
population, mid 2017 is

56,52 Million

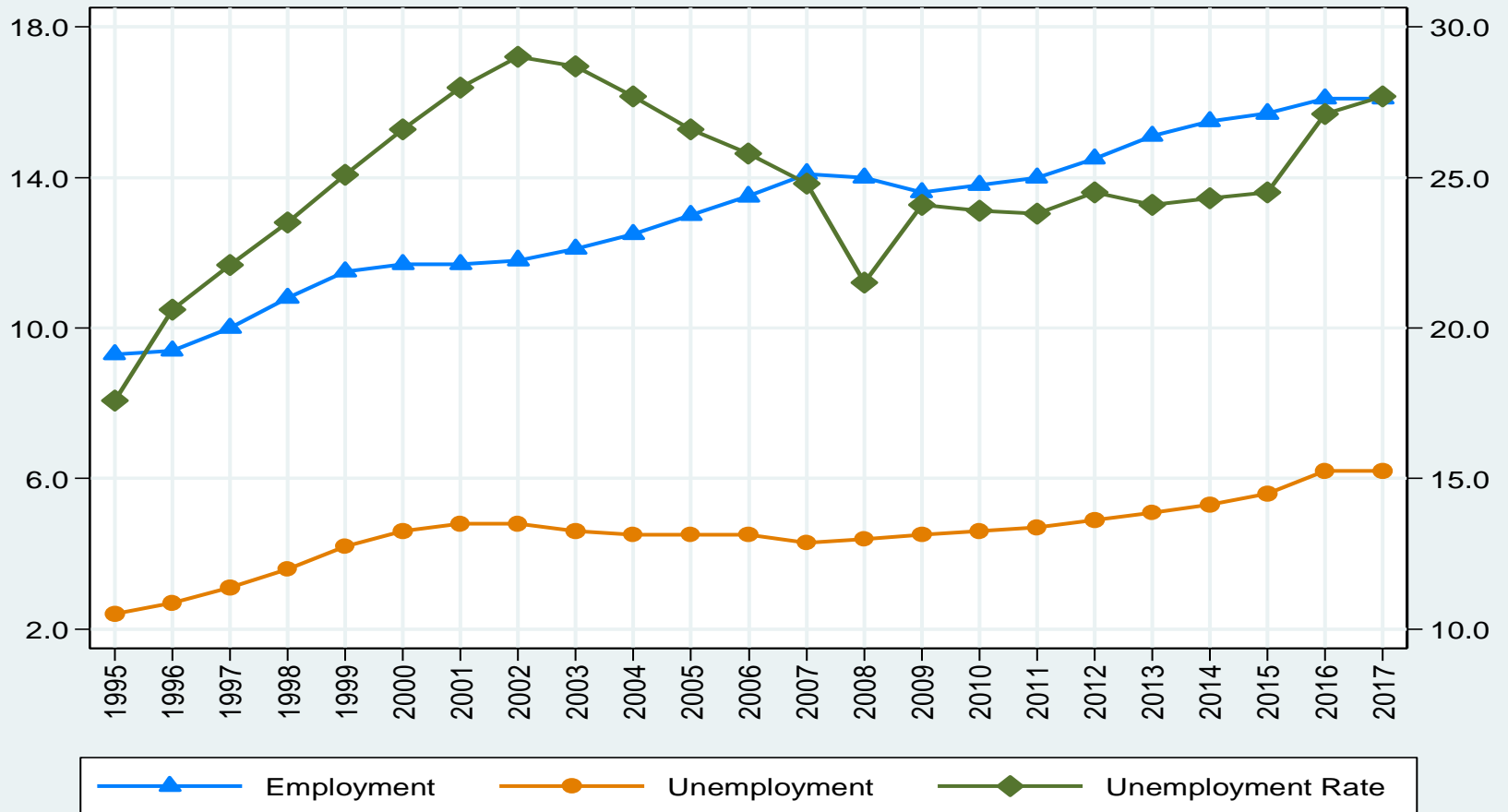
South Africa's mid-year
population has increased by
902 200 from 2016
estimates.



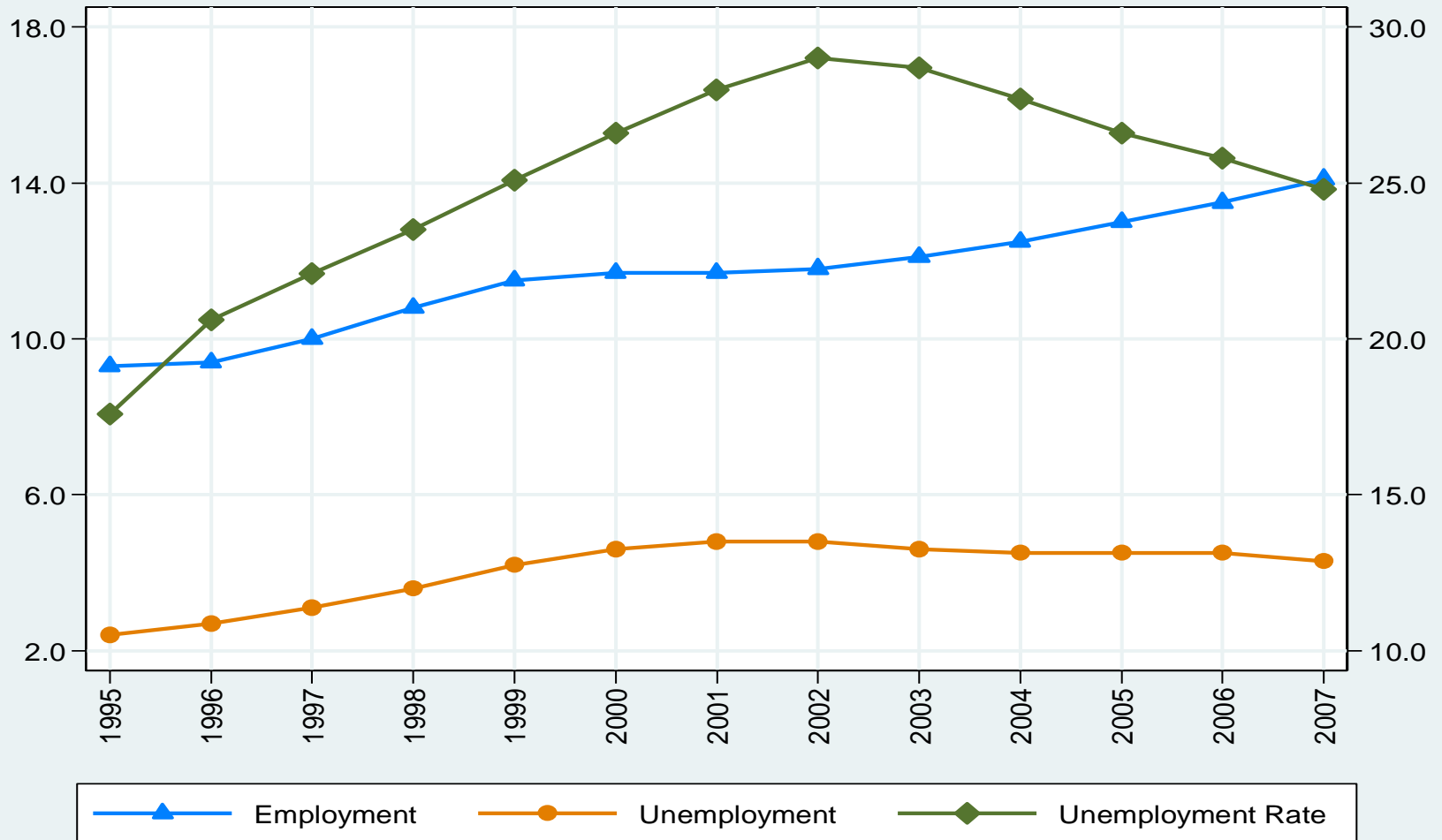
Labour Market Aggregates



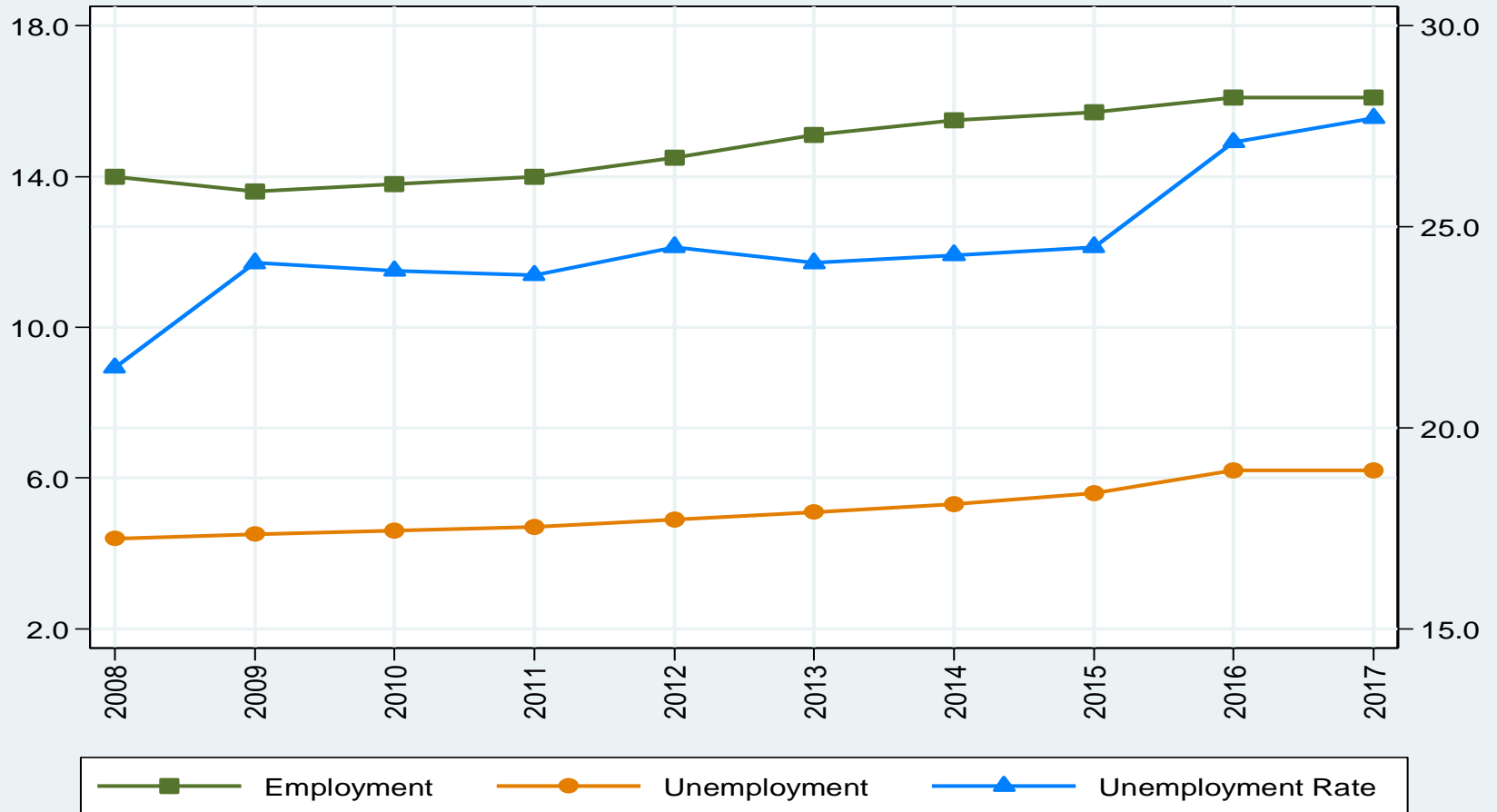
Labour Market Aggregates, 1995-2017

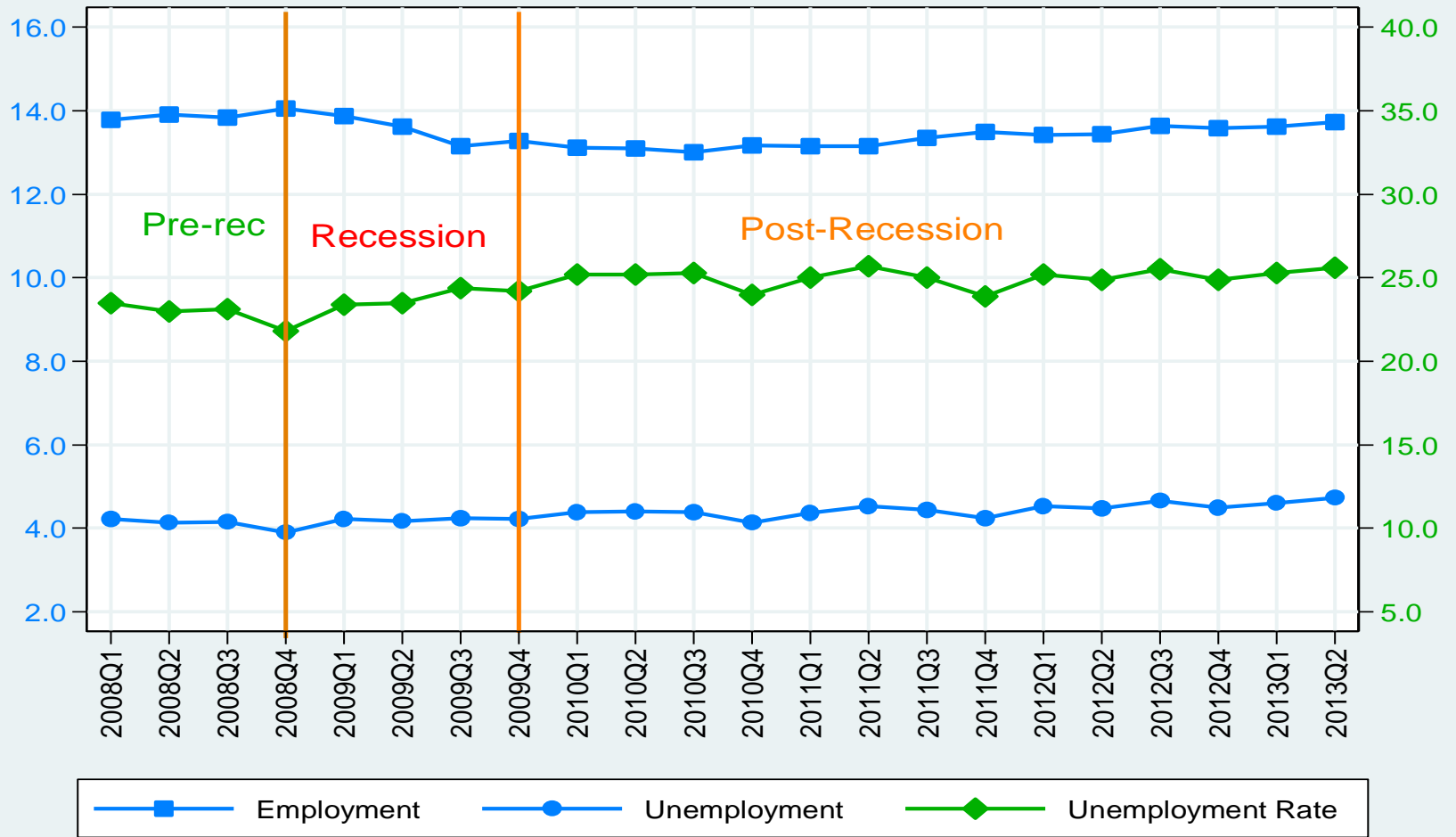


Labour Market Aggregates, 1995-2007

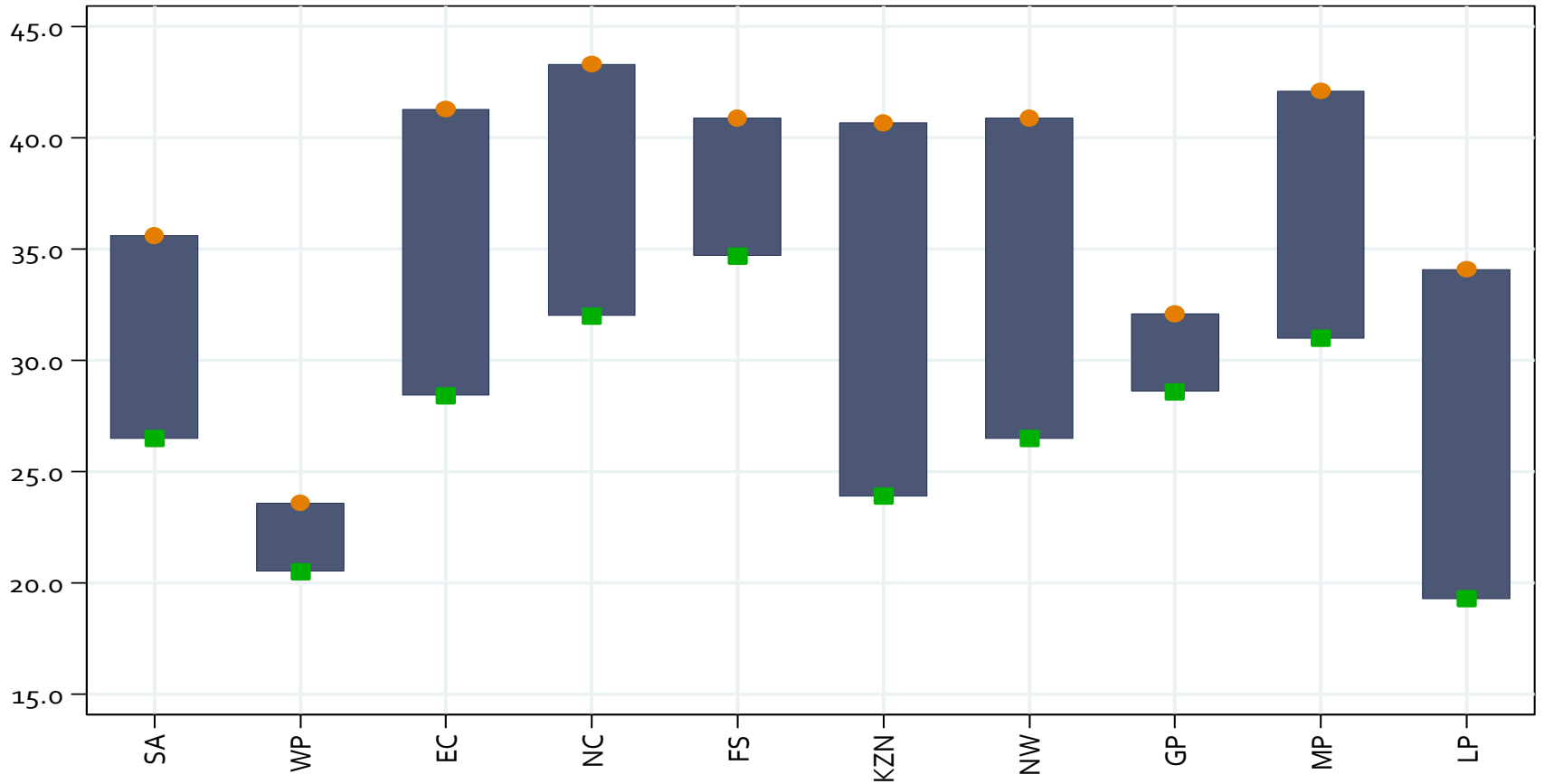


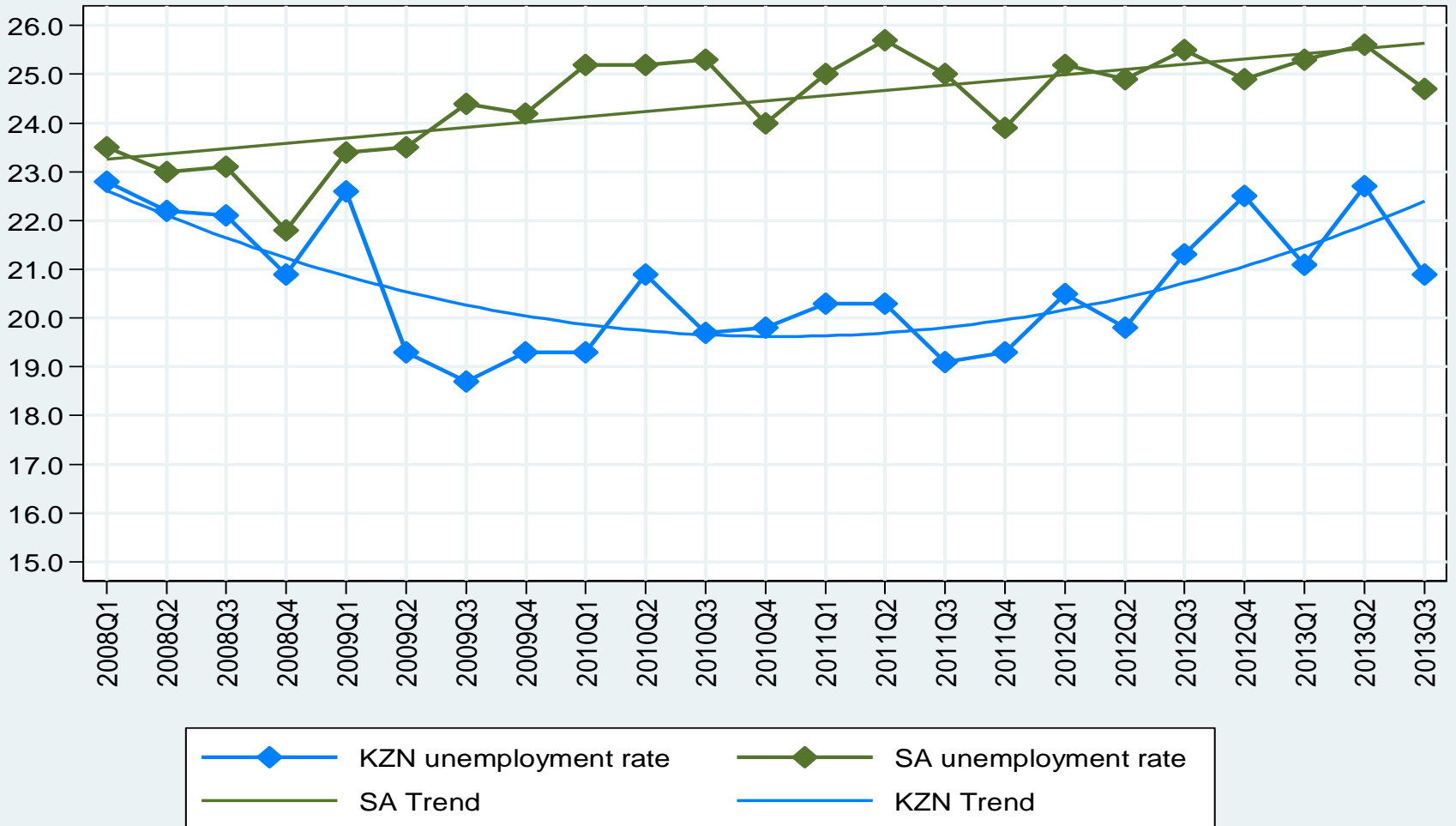
Labour Market Aggregates, 2008-2017



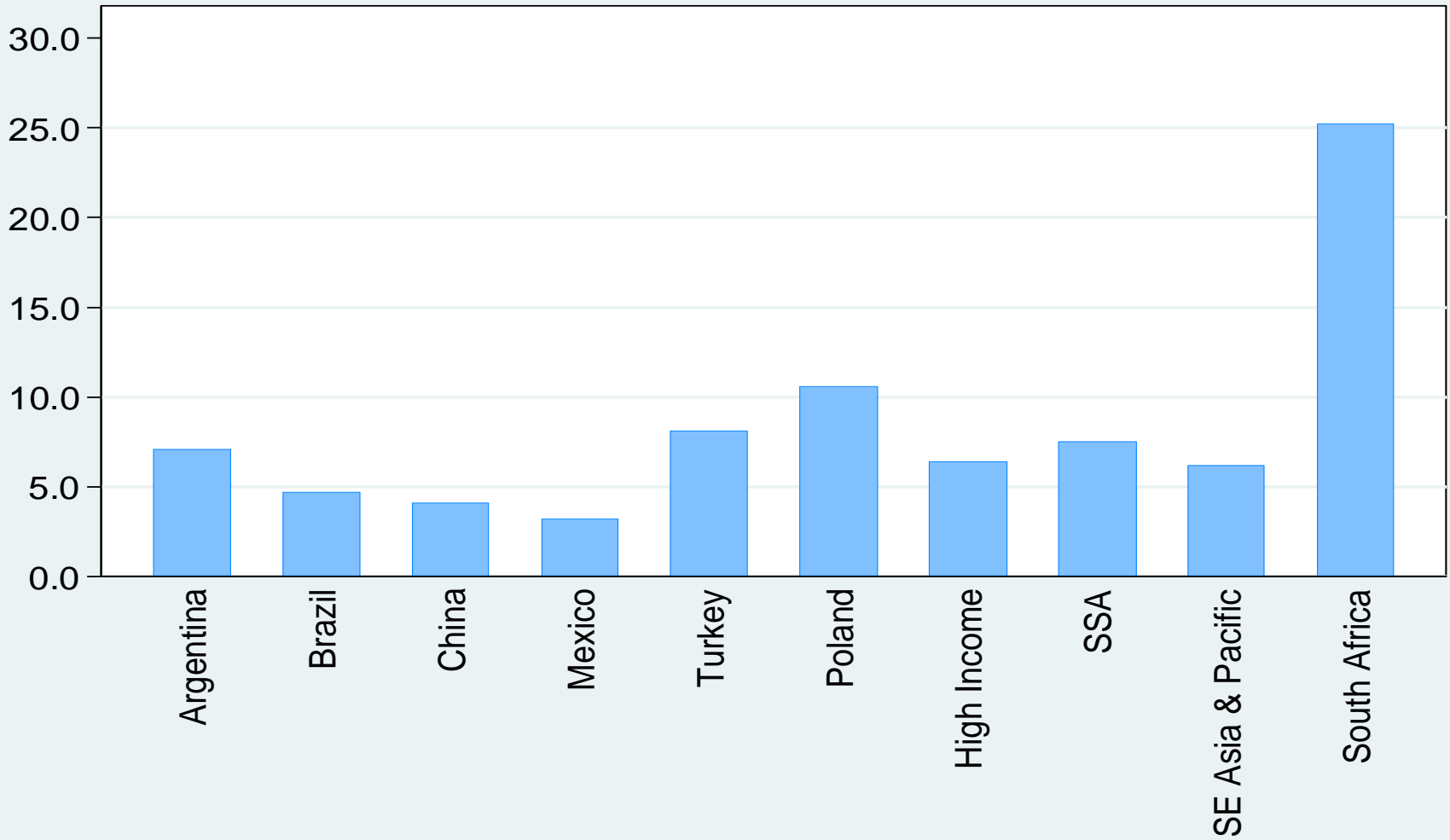


Provincial Unemployment Rates





Unemployment Rates Around the World



The South African Unemployment Web

Institutions

Supply

Labor Force Participation

Training & Education

Social Programs

Reservation Wage

Infrastructure

Demand

Real Wage

Non-Wage Costs

Labor/Capital ratio

Macroeconomic Indicators

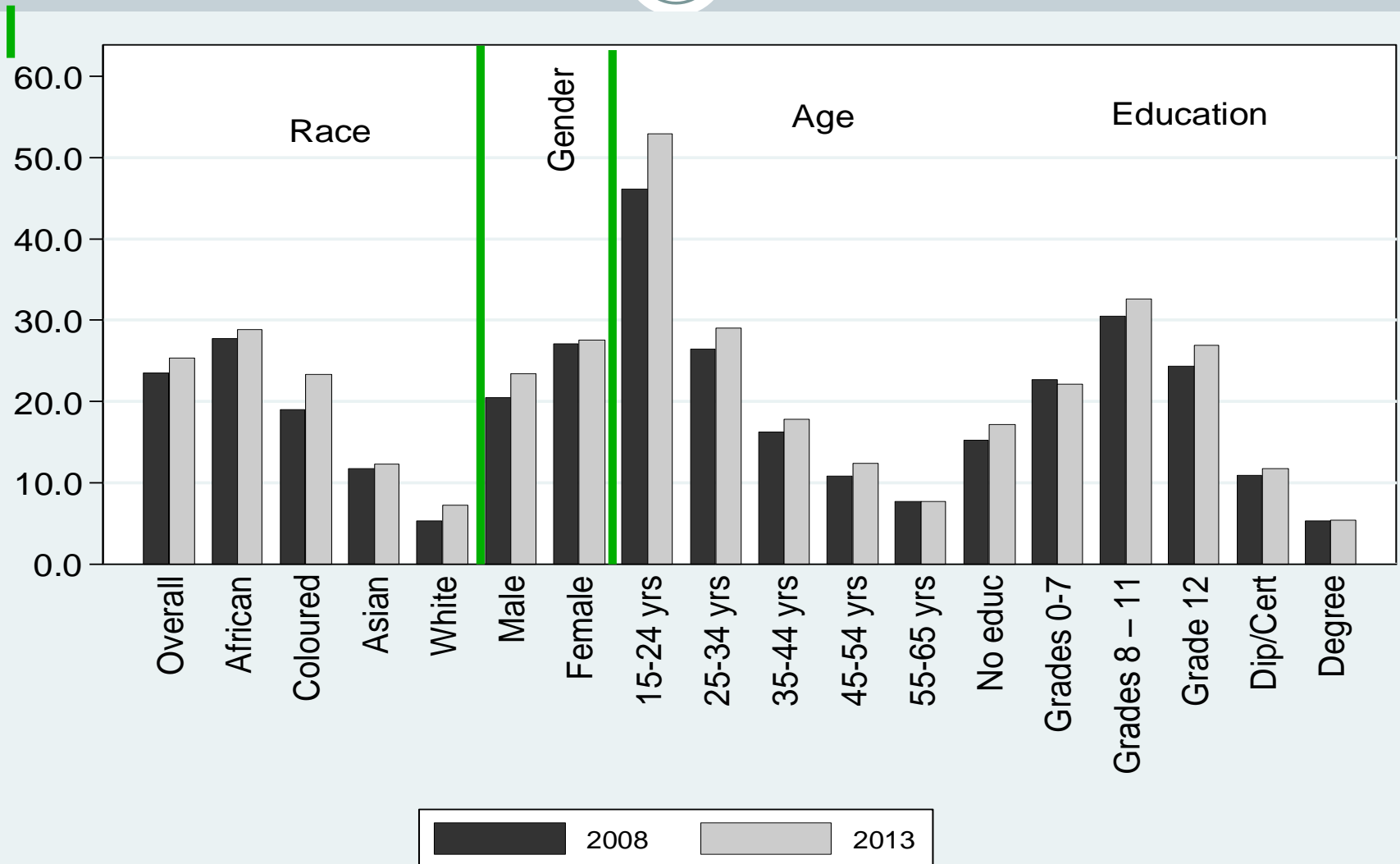
Labor Regulation

Education and Employment



- Many look to economic growth as a key driver of job creation.
- Certainly a growing economy can lead to new jobs and increased prosperity.
- However, higher growth rates do not necessarily lead to more job opportunities or lower unemployment.
- Increased productivity due to new technologies or higher commodity prices can produce economic growth without corresponding job creation.
- Additionally, growth is not necessarily shared among a population equally. It is often concentrated in particular sectors, having relatively little impact on other portions of the populations.
- Education is key to addressing both growth and employability

Markers of Unemployment in South Africa



Who should finance training



- Mismatch problem arises from the divergence in what employers are seeking in the candidates in addition to qualifications and the actual skills candidates have.
- Employers face three holes in the training bucket:
 - first, they pay for training, but the candidates do not pass or complete the training successfully (learning risk);
 - second, they pay for training, and the candidate completes it successfully but does not perform in the workplace (productivity risk); and third,
 - employers pay for training, and the candidate completes successfully and is productive in the workplace; however, he leaves (attrition risk).
- Employers are willing to hire trained workers.
- Candidates, on the other hand, are unwilling to pay for training but ready to pay for a job

Possible solutions



- Linking financing to desired outcomes would ensure that the right skills are ensured for people seeking jobs
- Separating financing from delivery of skills development
- Link poverty alleviating programmes to training e.g EPWP programme
- Integrating apprenticeships with training and placements will play a valuable role to increase employability of trained graduates

Entrepreneuership



Enterprise		Number of employees
Micro	0-5	731 911
Very Small	6-20	544 157
Small	21-50	428 125
Medium	51 or more	744 613
Not Sure		47 022
Total		2 495 828

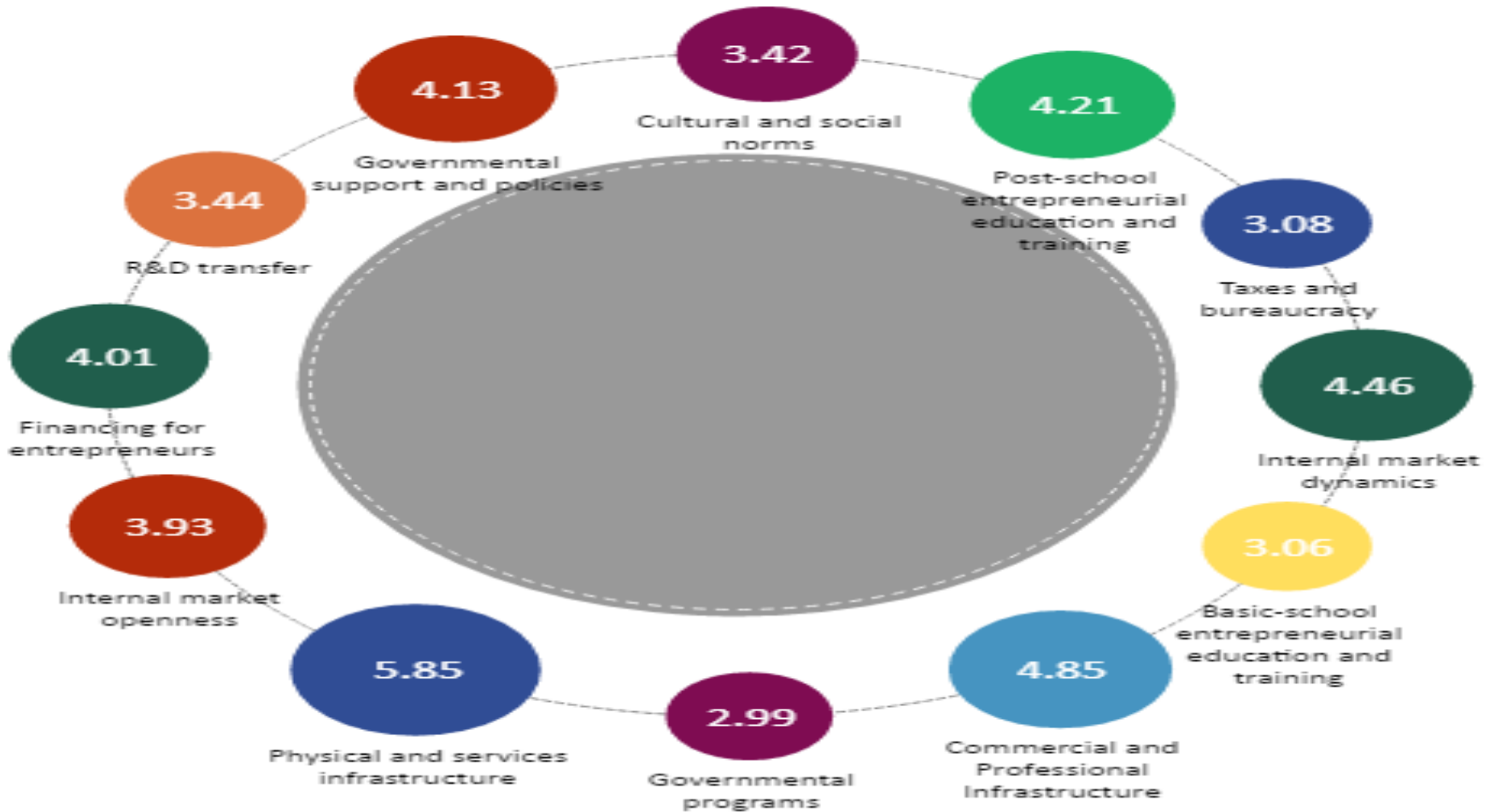
A Closer Look



Too Few
Jobs

Fewer
SMMEs

Entrepreneurial Ecosystem in South Africa



Addressing the Entrepreneurship Challenge



- **We need a dynamic culture of entrepreneurship in South Africa that promotes entrepreneurial behaviour and the creation of self employment opportunities**
- **Solution = Entrepreneurship Education in Schools**

Classroom World



- Traditional classroom delivery is **predominately theoretical knowledge**.
- **Talk and chalk** teaching style.
- Poor teacher prestige and recognition resulting in **low teacher moral**.
- **Little or no exposure** to entrepreneurship experiential learning.
- **No spirit of enterprise and entrepreneurship** among learners and teachers at all levels.
- **Current curriculum** doesn't include much of the related entrepreneurial training programmes: 20% – 30%.
- **Performance** is based on assessments and marks driven.



Education as it should be



REAL WORLD

- INNOVATION
- TECHNOLOGY
- ENTREPRENEURSHIP
- PROBLEM-SOLVING ORIENTED



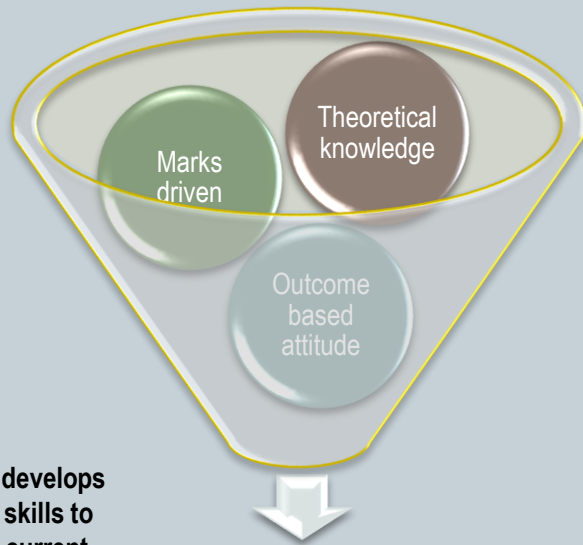
Attaining a Dynamic Entrepreneurial culture



- **Introduce entrepreneurship** at the early school age of learners' education across all learning areas
- **Adopt 21st century methods and tools** to develop appropriate learning environment for encouraging creativity, innovation and ability to 'think out of the box' to solve problems.
- **Curriculum-aligned materials** with innovative teaching and learning techniques/tools
- **Develop entrepreneurial skills** and mind-sets in educators as well as learners.

Entrepreneurial Education Impact

Traditional Classroom Delivery

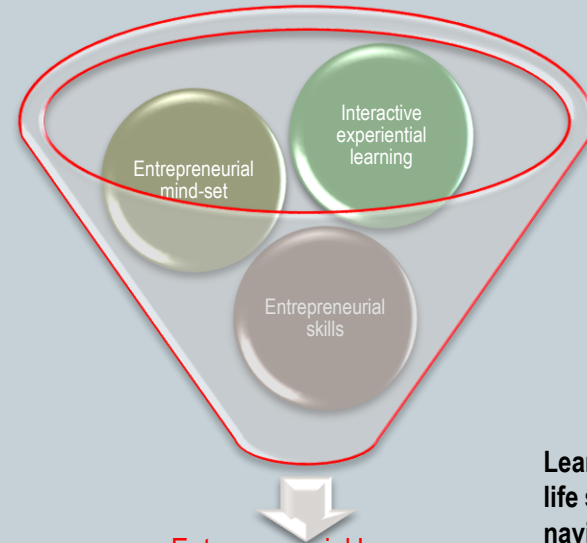


Learner develops survival skills to adapt in current SA market realities

Performance Learner

Passive, knowledgeable, Non risk takers, Accepts status quo

Entrepreneurship Culture in the Classroom



Entrepreneurial Learner
Creative, Critical thinker, Resourceful, Opportunity seeker

Learner develops life skill to navigate and change current SA market realities

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Conclusion



- Entrepreneurship is key to addressing SA's structural problem of unemployment
- There needs to be a focus on encouraging entrepreneurship in schools and building a strong entrepreneurship ecosystem.
- Collaboration among key role players - Government, Business, Schools, Educators, Learners, NGO's, Communities – is critical to achieving targeted milestones.

Siyabonga

Thank You

Dankie

Ke a leboha

Enkosi