

INEQUALITY AND ECONOMIC MARGINALISATION

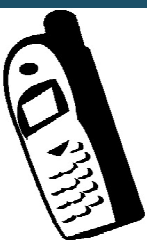


Employment intermediation for unskilled and low-skilled work seekers – Part 11: Case studies

NB Ideas
with Strategies for Change and Indego Consulting

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TIPS
TRADE & INDUSTRIAL POLICY STRATEGIES



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ABOUT THIS RESEARCH

The 2007 Annual Report of the Accelerated Shared Growth Initiative of South Africa (AsgiSA) identified a need to focus on what was then called 'the second economy', and on mechanisms to ensure shared growth reaches the margins of the economy. The Second Economy Strategy Project was initiated in this context. It reported to the AsgiSA High Level Task Team in the Presidency, but was located outside government in TIPS.

A review of the performance of government programmes targeting the second economy was completed in early 2008. The project then commissioned research and engaged with practitioners and policymakers inside and outside government. A strategic framework and headline strategies arising from this process were approved by Cabinet in January 2009, and form part of the AsgiSA Annual Report tabled on 16 April 2009.

In South Africa, people with access to wealth experience the country as a developed modern economy, while the poorest still struggle to access even the most basic services. In this context of high inequality, the idea that South Africa has 'two economies' can seem intuitively correct, and has informed approaches that assume there is a structural disconnection between the two economies. The research and analysis conducted as part of the Second Economy Strategy Project highlighted instead the extent to which this high inequality is an outcome of common processes, with wealth and poverty in South Africa connected and interdependent in a range of complex ways. The different emphasis in this analysis leads to different strategic outcomes.

Instead of using the analytical prism of 'two economies', the strategy process placed the emphasis on the role of structural inequality in the South African economy, focused on three crucial legacies of history:

- The structure of the economy: its impacts on unemployment and local economic development, including competition issues, small enterprise, the informal sector, value chains and labour markets.
- Spatial inequality: the legacy of the 1913 Land Act, bantustans and apartheid cities, and the impacts of recent policies, looking at rural development, skewed agriculture patterns, and the scope for payment for environmental services to create rural employment.
- Inequality in the development of human capital: including education and health.

TIPS's work around inequality and economic marginalisation is built on the outcomes of this strategy process.

The research undertaken under the auspices of the Second Economy Strategy Project continues to be relevant today as government explores policy options to reduce inequality and bring people out of the margins of the economy. This report forms part of that research.

A list of the research completed is available at the end of this report. Copies are available on the TIPS website: www.tips.org.za.

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INTRODUCTION

This document is part two of a three part report on employment intermediation. Part one provides an overview of the sector, internationally and nationally, and part three captures the recommendations for further work towards strengthening the sector. In this second part of that report, seven case studies of existing employment intermediation services in South Africa are presented.

The case studies attempt to provide an overview of the types of employment services available to unskilled and semi-skilled unemployed people, as provided by the state, the private sector and non-governmental services. The case studies are not a comprehensive overview of the services. Instead, they try to provide insight into the operations of the selected agencies, all of whom target specifically the most vulnerable work seekers, in other words, those who are the long term unemployed, the unskilled and the semi-skilled. Each case study is brief and based on either a two- or four-day engagement.

The first three case studies focus on the public sector. Case study one provides an overview of the public employment service; case study two, a public works programme initiative focuses on the job creation role of the state. Case study three turns its attention to a partnership at local government level aimed at reducing unemployment and improving employment intermediation services. Case studies four and five focus on private sector initiatives that target unskilled and semi-skilled work seekers, namely TEBA Limited (Ltd), an employment intermediation servicing the mines; and labour brokers, a growing industry in South Africa that services the mines, agriculture, construction, manufacturing and retail sectors. The final two case studies focus on non-governmental organisational (NGO) initiatives, both set up in the last few years, where a core focus is employment intermediation. The first of these, Men on the Side of the Road, focuses on a target constituency, namely men waiting on the side of the road, while the other, Work Now, focuses on a geographic area.

What becomes clear from the case studies is that employment intermediation is a burgeoning industry with lots of opportunities and challenges. Where data exist, the benefits of a personalised face-to-face service seem indisputable, both from the perspective of the work seeker and of the employer. These benefits have not been exploited fully. Funding resources are a key challenge for the sector. The sector is uncoordinated and characterised by limited interaction between role players. There is also much overlap between the plans of providers.

Within the unskilled band of work seekers, there are particular sectors where training is relatively short term and demand high, as is the case, for example, among call centre operators. Here, there are numerous private and even some NGO providers that offer success stories linking unemployed people to work opportunities. We have chosen not to focus on this industry given the success of the market in meeting demand.

There are also a range of NGOs that are essentially training organisations that, over time, have incorporated a placement service as part of the aftercare service provided to trainees. Again, these have not been included in the selected case studies as they generally only service trainees and cannot be regarded as an employment intermediation service open to the public or a targeted group within the public.

In conclusion, it is hoped that the selected case studies will provide some insight into the employment intermediation sector and the services available to largely unskilled work seekers.

CASE STUDY 1: DEPARTMENT OF LABOUR

INTRODUCTION AND CONTEXT

Unemployment is one of the key challenges facing South Africa and a major driver of poverty and social problems. As with most countries, the state, through the Department of Labour (or DoL), offers a public employment service. Prior to 1990, the Department of Manpower was responsible for services to white people, exclusively. It was only after 1990 that services became more racially inclusive and, since 1994, the department has restructured radically its focus and services.

The roles and functions of the Department are set out in the following legislation:

- *Basic Conditions of Employment Act, 2002*: applies to all employers and workers and regulates employment conditions such as leave, working hours, employment contracts, employee records, deductions, pay slips, overtime and termination;
- *Compensation for Occupation Injuries and Diseases Act, 1993*: provides for and deals with injuries disablement, disease and death caused by work-related activities;
- *Employment Equity Act, 1998*: aims to promote and achieve equity in the workplace, by encouraging equal opportunity amongst all workers;
- *Labour Relations Act, 1995*: applies to all workers and employers and aims to advance economic development, social justice, labour peace and the democracy of the workplace;
- *Occupational Health and Safety Act, 1993*: provides measures to ensure the health and safety of all workers in the workplace;
- *Manpower Training Act, 1981, Skills Development Act, 1998 and Skills Development Levies Act, 1999*: these acts aim to develop and improve the skills of the South African workforce and prescribe how employers should contribute to the National Skills Fund;
- *Unemployment Insurance Act, 2001*: provides funds to workers who may become unemployed; and
- *Unemployment Insurance Contributions Act, 2002*: prescribes how employers should contribute to the UIF Contributions Fund.

The DoL's head office is located in Pretoria, with provincial offices in all nine provinces, as well as several labour centres per province. The service's primary users are low- or unskilled workers. In addition to the public sector, labour brokers and not-for-profit agencies provide employment-related services to the unskilled. An extensive array of private employment agencies is the main service providers for skilled workers and professionals. From about the late 1990s onwards, online recruitment agencies began to penetrate the South African labour market and are now an important player in the labour market, particularly at the upper end. This case study describes and evaluates the public employment service functions in the DoL with a view to identifying key lessons that would be useful for enhancing a national system of employment intermediation. While the comprehensive DoL service ranges from processing unemployment insurance to placement of work seekers, details in this case study will be limited to the employment and skills development services.

OVERVIEW OF THE AGENCY

The public employment service forms part of the mandate of the DoL. The legal definition of the public employment service is contained in the *Skills Development Act of 1998*. According to the Act, the Director-General of the Department of Labour must establish labour centres

and appoint staff to perform the functions of the centres (HSRC, 2001), and this includes a service that is designed to contribute to the national objective to halve unemployment by 2014.

The key services rendered by the DoL have been divided into six programme areas. A brief explanation of each is included below:

- *Database services*: register work seekers, vacancies and work opportunities;
 - *Employment services*: facilitation of access to employment and income-generating opportunities for the under- and unemployed by implementing a range of policies and programmes;
 - *Beneficiary services*: provision of services to unemployed people and people injured on duty by administering, processing and finalising applications for payment;
 - *Inspection and enforcement services*: ensuring that employers and employees comply with labour legislation;
 - *Labour market and information statistics*: research and monitoring development in the labour market by analysing the impact of various Acts and job creation programmes and by assessing internal capacity;
 - *Occupational health and safety*: promoting health and safety in the workplace through regulating dangerous activities and the use of plant and machinery; and
 - *Management support services*: management and support of provincial offices, labour centres and visiting points.
- Some of these services are provided and administered centrally, while others are provided at a more localised level through the labour centres. The Department has 141 labour centres across the country.
 - Employment Service Practitioners (ESPs) that are based at these labour centres are responsible for all employment and skills development functions. This includes:
 - Identifying income-generating opportunities for the unemployed or underemployed;
 - Implementing skills development interventions;
 - Registering, recruitment selection and testing of work seekers for learning and employment opportunities; and
 - Registering and monitoring of (private) employment services for gain.

SERVICES

As stated previously, in this case study, we have not tried to provide a comprehensive overview of all the services provided by the DoL. Instead, we have focused on the employment services. The state-specific functions of beneficiary services, inspection and enforcement, occupational health and safety and information are not discussed in detail, as there is no comparative against which to benchmark these services.

Job brokering

The employment intermediation services offered by the local labour centres can be divided into two focal areas: the registration of job seekers on a database and skills training targeted at the unemployed.

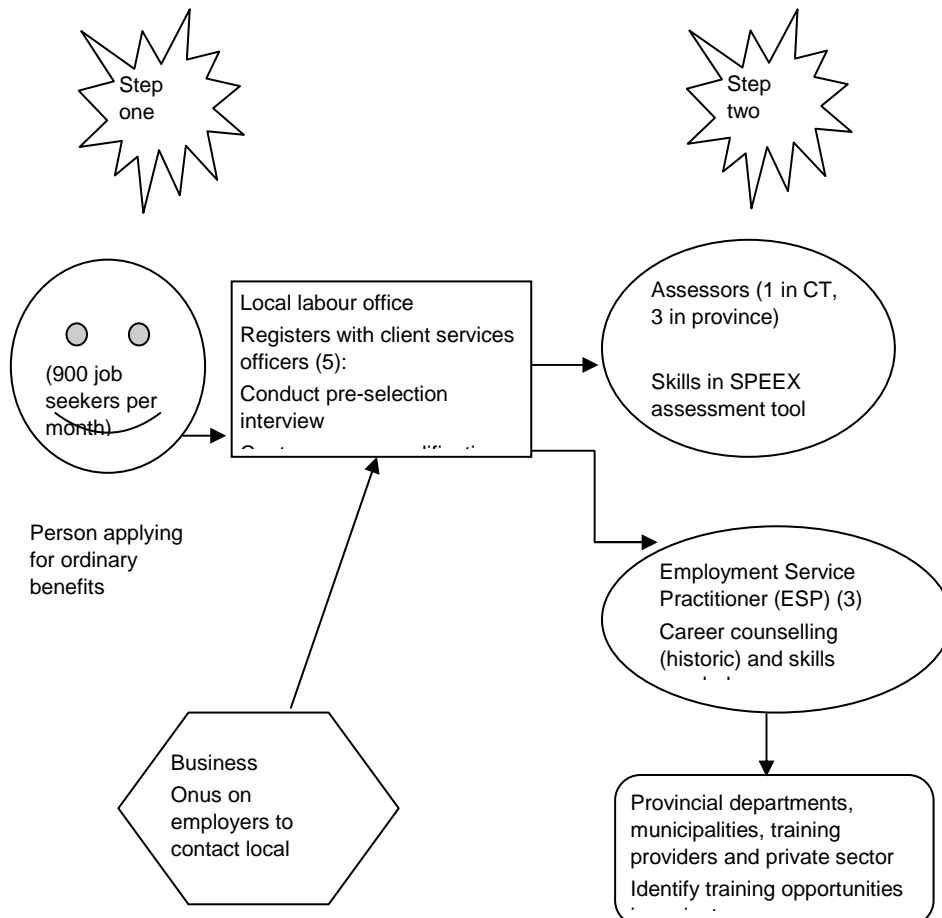
Registration of job seekers

In the larger local labour centres, such as Johannesburg South, George, Port Elizabeth and Cape Town, the database of job seekers is electronic. In the smaller centres, it is manual and paper-based. Figure 1 demonstrates the work flow at the Cape Town local labour centre for employment intermediation services. The numbers of job seekers and numbers of staff members responsible for processing registration and support are indicated in brackets in Figure 1. Also evident from Figure 1 is that the registration of job seekers has two main steps.

Step one: A job seeker or person applying for ordinary labour related benefits can be registered on the job seeker database at the local labour office. It is mandatory for unemployed persons claiming from the Unemployment Insurance Fund (UIF) to register on the job seeker database in terms of the *UIF Act*. Currently, there is an average of 900 people per month registering on the Cape Town database. The registration process is managed by five client services officers. The age, qualifications, skills, previous work experience, and place of residence of the work seeker are captured onto an electronic database. The five client service officers are meant to undertake pre-selection interviews with each registration, but sheer capacity constraints mean that this does not happen consistently.

Importantly, in the majority of instances, **step one** is the full service level provided by the local labour centre for individual job seekers. The local labour centre may contact a job seeker to find out if s/he has found employment, but this is not the norm. In these instances, the majority of job seekers indicate that they are still unemployed.

Figure 1: DoL's employment intermediation process



TRAINING

Step two: A client service officer *may* refer the job seeker to an Employment Service Practitioner (ESP) or an assessor. There is one assessor qualified to use the Department of Labour's personality and skills assessment tool, SPEEX, and there are three ESPs within the Cape Town local labour centre. The primary function of an ESP is to look for projects, managed by provincial and local government, that present training opportunities for the unemployed. Skills programmes, which have only recently been accredited, are offered by the DoL for the project duration. Consequently, they are mainly out of the office at meetings and networking. This means that referrals to the assessor or ESPs are infrequent.

The DoL's Skills Development Programme (ESD) is focused on implementing the National Skills Development Strategy (NSDS) and includes the following sub-programmes:

- *Skills development funding:* manages the National Skills Fund, and funds projects, identified in the NSDS as national priorities or other projects related to achieving the purpose of the Skills Development Act (1998) as determined by the Director-General;
- *Sector Education and Training Authority (SETA) coordination:* ensures that the National Skills Development Strategy is implemented effectively and efficiently at the sector level and is responsible for performance management and support to the 23 SETAs;
- *INDLELA:* increases access to work-based qualifications, assesses apprenticeships at different levels and in different fields of learning, and conducts education and training which contributes to meeting the NSDS scarce skills and training targets;
- *Training of staff:* funds staff training programmes and ensures that the skills for implementing legislation are available;
- *Administrative auxiliary services:* responsible for a branch performance management system to ensure that the NSDS targets are met across implementing agencies (namely, the SETAs, the National Skills Fund, the Umsobomvu Youth Fund and the National Productivity Institute) and that reports are consolidated and distributed quarterly to the National Skills Authority, the Department and the interdepartmental human resources development committee; and
- *National Productivity Institute:* supports government-led strategic initiatives that affect job creation and retention, productivity and competitiveness.

The DoL's approach to skills training, which focuses training on short term skills programmes related to government-led projects for the unemployed, rarely results in long term employment opportunities for the trainees. It is alleged, for example, that 'millions of Rand' has been allocated to the provincial department for skills development, but that the benefits of this spend is not evident.

A critical gap in the approach by the DoL generally, and the Cape Town local labour centre, specifically, is a relationship with the private sector. The entire focus of the skills training is on public-public partnerships, rather than on building partnerships within the private sector, where more secure job placements and relevant skills could be targeted.

Another limitation on the success of the current approach towards skills training within the DoL is that the mandate of the local labour centres is restricted to providing skills to the unemployed through short term skills programmes. The Sector Education Training Authorities (SETAs) are intended to provide the more sophisticated market-related skills. The failure of the SETAs to deliver effectively on this mandate is contributing to the skills shortage within the country, in particular, of artisanal skills.

The DoL has no contractual relationship with learners and relies on the employer to verify placement or the learner to provide feedback. Neither is commonplace and so ESPs can spend a great deal of time doing telephonic follow-ups. This in itself is challenging as learners and work seekers in the main make use of pre-paid cell phone numbers, which change often. Where they have listed fixed land line numbers, they, or members of their household, are reluctant to report the person as working – in case the enquiry is really coming from a money lender or someone else seeking funds from the individual concerned. Without this data it is impossible to determine the impact of the service and make the right management decisions around allocation of resources.

A key focus of the Department of Labour is skills development as a tool to facilitate employment. The skills development approach aims to provide a framework for developing and implementing sector and workplace strategies to improve workers' skills. Funding comes from the National Skills Fund.

The relationship with training providers is largely managed by ESPs and since the ESPs are already suffering from resource and capacity constraints, the relationship with training providers is not ideal. Yet many of these providers have a wealth of potentially, useful knowledge regarding stakeholder training needs, project identification, and placement issues. For instance, there are innovative examples of linking training to production for the benefit of communities. Teaching someone to paint or build a house takes on a whole new meaning when, as part of their training, they get to paint the local library or if the house they learn to build is donated to the community clinic.

A key lesson noted by training providers was that the recently re-introduced allowance of R30 to learners by the DoL for each day of training was an important factor in getting learners to start training and to keep them there for the duration of the training. This seemingly small stipend for many learners made up for a lost day of possible income generation.

Supporting emerging training providers and attempting to spread the funds is a process beset with problems. For example, there are cases where emerging providers are not fully equipped to undertake the training project awarded to them. In such cases, the emerging provider often sub-contracts more established providers to do the work. To ensure that learners are provided with the best quality training, it may be useful to consider ways of pairing emerging providers with experienced providers so that there is some knowledge and skills transfer.

Key related organisations or agencies which work to meet the objectives of the *National Skills Development Strategy* include:

- *Productivity South Africa* (previously known as the National Productivity Institute). Productivity SA is a Section 21 company and reports to the Minister of Labour. The mandate of the organisation is to serve the interests of government, organised labour and business through the enhancement of productive capacity. Its strategies to achieve this are aligned with the South African national strategy and priorities;
- *The Umsobomvu Youth Fund (UYF)*. Established in 2001, the UYF is a government agency mandated to facilitate and promote the creation of jobs and skills development among young South Africans, aged primarily between the ages of 18 and 35 years. Funding has been derived from the proceeds of the *Demutualisation Levy Act of 1998*, amounting to R855 million. The UYF fulfils its mandate by making strategic investments that facilitate opportunities for young people to acquire skills, to

access jobs or pursue meaningful self-employment opportunities through various enterprise initiatives;

- *The Institute for National Development of Learnerships, Employment and Labour Assessments (INDLELA)*. Indlela is South Africa's longstanding trade assessment centre. For more than 60 years, it has been operating in various guises, assessing artisans on international standards, and is currently one of the government's employment and skills development strategy components.

Employment System for South Africa (ESSA)

The DoL acknowledges that its current employment intermediation services are failing in terms of the goal of achieving workplace placements. As a consequence, the department has designed the *Employment Services System of South Africa (ESSA)*, through a public private partnership with SIEMENS, in order to reposition the DoL and to deliver a more effective service. The key output of ESSA is a single shared national database of job vacancies and job seekers. It is backed by Cabinet as a single national system to which all other databases located in sector departments or in provincial and local government must migrate. The intention is to launch the system within the current financial year.

Prior to the development of ESSA, the Employment Services Department assisted unemployed youth in so far as registering them for unemployed benefits, if applicable, and placing them in skills programs for temporary periods of time. The services did not offer any counselling support. There was no formal comprehensive labour market information system to provide information on occupations and training opportunities. The DoL did offer employment services through their labour centres located in all the nine provinces. But these services related mainly to registering the youth for UIF if they had been in employment previously, and assessing and directing them to skills programmes and learnerships. Counselling interventions on how to handle unemployment were not available.

There is also no register of school or education leavers. Learners leave school, typically between grades nine and 12, to enter either training institutions or the labour market. No official record is kept of those who leave school and attempt to enter the labour market.

ESSA is aimed at developing and implementing an integrated system that will allow for the delivery of a free public employment service in South Africa that is accessible to all.

ESSA is a web-based system with the primary focus of automatically matching work seekers to job opportunities. Work seekers' CVs will be captured on the system either by DoL staff members or by work seekers themselves at self service terminals in labour centres and public libraries. Employers, in turn, will also be required to capture vacancies on line. Based on this information, the system then matches work seekers to vacancies and a list of suitable candidates is emailed to employers.

The responsible departments are the:

- Department of Labour (lead department);
- Department of Education;
- Department of Science and Technology;
- Department of Trade and Industry;
- Department of Home Affairs;
- Department of Public Enterprise; and
- Statistics SA

Previously, DoL staff would literally sort through boxes of records to match work seekers to vacancies. Clearly, the ESSA approach is designed to make a dramatic improvement in the service the department offers to work seekers and employers.

The broader ESSA service includes:

- *Registration services* that involve the registration of individuals, employers, opportunities and training providers. The registration of individuals includes the development of a skills profile where the person's qualifications and experience are recorded according to the Organising Framework of Occupation (OFO);
- *Career information and guidance services* spanning providing career, labour market, scarce and critical skills information and guidance on accessing placement opportunities;
- *Recruitment and selection services* incorporating the proactive identification of opportunities through networking with stakeholders, the matching of individuals to opportunities, recruitment and selection for a particular opportunity, and placement;
- *Skills development services* including developing the Provincial Implementation Plans, identifying scarce and critical skills, registering training courses with the National Skills Fund, allocating funding for Skills Development, selecting training providers, contracting training providers, monitoring training, processing training provider claims and scheduling assessments at INDLELA;
- *Information services* spanning producing information brochures/pamphlets and packages, and advocacy on accessing employment and skills development services;
- *Special services* that provide for designated/vulnerable groups, including services for people with disabilities, youth, retrenched employees and ex-offenders.

The **beneficiaries** of ESSA are:

- Unemployed persons: those who are actively looking for employment and those who have lost hope (including women, youth and people with disabilities);
- Underemployed persons: those in unsuitable employment and whose skills and expertise are underused;
- Learners: those ready to leave school and those needing further education and training;
- Employed persons: those actively involved in production; and
- Providers of placement opportunities, including, but not limited to, employers (public and private sector).

Box 1: ESSA's intended outputs

To develop an integrated system, ESSA's intended outputs include:

- A profile of the skills of South African citizens;
- An accurate record of scarce and critical in skills in South Africa;
- An effective career information and guidance service for South African citizens that includes information on scarce and critical skills;
- An accurate register of work seekers in South Africa;
- An accurate register of employers in South Africa;

- An accurate register of placement opportunities/vacancies in South Africa;
- Matching individuals to placement opportunities (or matching supply and demand);
- An accurate record of placement of individuals into opportunities;
- An accurate record of education and training providers and programmes in South Africa;
- A record of all public and private education and training interventions in South Africa, and of the learners participating in those interventions;
- An accurate record of the use of skills funds;
- A function to manage and report on employment services, and determine their impacts;
- Linkages with relevant stakeholders to facilitate the delivery of integrated, efficient services by government;
- Access to the system for beneficiaries located at a variety of sites, with secure access to confidential data.

ESSA has three phases of development and implementation, as is indicated in Table 1. So far, the system has been rolled out in 10 labour centres and the DoL is in the process of completing phase one of ESSA but it is running behind schedule.

Table 1: ESSA's three phases of development and implementation

	Phase 1 (July 2006 – March 2007)	Phase 2 (April– December 2007)	Phase 3 (2-8 January 2008)
Skills profiling of scarce and critical skills	SETA performance management	NSF disbursement	
Registration of work seekers	Career guidance	Levies and grants	
Registration of employers	Registration of ETD providers	Probably expand to include systems for Quality Council for Trades and Occupations (QCTO)	
Registration of placement opportunities	Reporting on learner records		
Reporting on placements	Reporting on training interventions		

Currently, the new system is being piloted in two sites: Gauteng South and Limpopo. The self service aspect is not yet fully operational and, thus, DoL staff members are entering work seekers' details into the system. It is anticipated that the system will be fully functional and rolled out within a few months. Staff members will continue to assist in capturing work seekers' details in the system given that most work seekers probably do not have the computer literacy skills to use the self service functionality. It is expected,

though, that over time, and with training and assistance, the self service facilities will be increasingly used.

The intention is for the ESSA to be widely accessible, including at all DoL offices, labour centres, multi-purpose community centres, public libraries and mobile community centres. In the longer term, it is hoped that it will be possible to provide 24-hour access.

This project has linkages with the other government priority projects, namely:

- The scarce and critical skills project;
- The National Skills Development Strategy 2006-2007 (where the implementation of year two's targets are aligned to the ASGI-SA implementation); and
- Skills development projects aligned to the Provincial Growth and Development Strategies (PGDS).

The DoL has published proposed regulations for the Employment Services System. Among one of the mooted provisions is that employers to be compelled to publish all the vacancies that they have on a public terminal. Employment seekers would also be able to place their information on this public terminal.

On 27 August 2007, the Employment Services Regulations were publicised for a period 60 days to enable public comment. Comments were received from business, labour and community sectors and the DoL reports that they are currently being processed.

Negotiations for the South African Qualification Authority (SQA) to assist the DoL with its project on ESSA were also concluded.

OVERVIEW OF WORK SEEKERS AND EMPLOYERS

Work seekers

The clients who typically make use of the DoL services have little or no skills. The profile of the users of the local labour centre in Cape Town reveals that it is young people (aged between 18 and 35), equally divided between African and Coloured racial groups, experiencing long term unemployment. White youth are seen to rely on private job placement companies, where they may be required to pay for the service. A graduate-level work seeker occasionally will seek aid at the labour centres, usually out of desperation at not being able to secure suitable work through private agencies. This scenario is typical of most centres.

In the past, the DoL used a manual system to register and track work seekers. This involved issuing work seekers with a brown card which was stamped every few months when the work seeker visited an employment office. The card was also used to track when a work seeker was placed successfully with an employer through a referral made by the DoL. However, as this was more of a referral system, there was no onus on either the worker or the employer to provide any feedback to the DoL on the outcomes of the referral. The system also relied on the work seeker coming back in to the DoL in future.

With the introduction of ESSA, feedback mechanisms on placements are built into the system. Work seekers will also be able to visit any labour centre and, rather than being issued with a physical card, their records will be stored under the identity number. Presently, the service is only available to South African citizens.

Employers

It is not clear how many employers use the DoL service or what kind of service they have received. As outlined above, the brown card and referral system did not yield the most useful or regular feedback.

The Cape Town local labour centre does not initiate contact with businesses. The onus is on a business to contact the centre regarding its skills requirements. If an employer contacts the local labour centre, the job seeker database is limited in its ability to generate skills matches. The system does not have a search function nor can it update itself automatically. It is also geographically limited because the only information reflected in the database is that collected by the Cape Town labour centre. The matching of jobs and skills is dependent on the individual initiative of a client services officer and is open to manipulation.

It will soon become mandatory for all employers to register vacancies with the DoL. While many employers have met this news somewhat apprehensively, the DoL is confident that with the new system, employers will be able to register vacancies on a system that is efficient, fast and able to yield results that will make it worthwhile. It is expected that by March or April 2008, the amended *Skills Development Act* will come into effect, making it mandatory for employers to notify the DoL of their vacancies.

It should also be noted that ESSA is a dual system which may deter some employers from using the system; that is, the DoL will also be able to verify employers' registration for UIF and tax with SARS.

The relationship between business and the DoL is complicated by the regulatory role that the department plays within the business sector regarding compliance with labour legislation. Some businesses minimise their interaction with the department as a result and do not always provide accurate information.

IMPACT

Jobs

While it is almost impossible to ascertain the exact placement figures from the DoL due to weaknesses in the data collection and management system, we do know that the official figures are very low. Table 2 provides work seeker statistics as recorded by the labour centres in the Western Cape. According to the DoL, these figures are skewed as the placement rate was in fact a lot higher.

Table 2: Work seeker statistics (2006)

Category	Number (%)
Registrations	10,126
Referrals	2,498
Placements	372 (3.67)

Source: Department of Labour, Western Cape

Placement is difficult to determine for several reasons:

- There is no contractual relationship with the work seeker and, hence, no onus on him/her to report back on whether they were offered a job;
- Employers are not compelled to provide feedback on placements;
- Guaranteed placement is only possible with EPWP and Working for Water;

- Where placement is not reported, it is recorded as non-performance;
- Employment Service Practitioners lack the capacity and resources to undertake complete and accurate placement verification; and
- The definition of placement for the skills development programmes (sponsored by the National Skills Fund) requires that within two months of training, at least 70% of the trainees must be placed for a minimum period of not less than three months. In terms of this definition, work secured outside these time frames does not qualify.

Another related weakness that impacts on placement figures is the lack of collaboration in many centres with private providers. At present, the regulation of labour brokers is covered by the *Labour Relations Act* and private employment agencies are covered under the *Skills Development Act (SDA)*. The regulation of both will henceforth be covered under the amended SDA. The DoL sees this as a positive step and is moving towards working closely with these agencies and removing the barriers between private and public employment services. The DoL would prefer to link with these agencies and collaborate, rather than compete, because there is a shared goal of placing job seekers, irrespective of who finally does this. In any event, their client base differs quite considerably, although there is occasional overlap.

The DoL envisages that ESSA will facilitate cooperation and more constructive collaboration with other agencies. ESSA will ensure that the interface with the DoL is an easy and efficient one that worthwhile results for these agencies, while the system also enables the DoL to be a meaningful partner in the employment intermediation service as well as a central point of useful information on which to base future planning and decision-making.

That said, a caution around the reliance on technology to solve what is only, in part, a systems problem must be raised. To date, experiences using databases suggest that it might enable better management of information but, if it is not coupled with a system that focuses on the quality of the information captured and on how the information can best be used, the impact will be limited.

Training

Training is a core component of the DoL's service. Again, as with the assessment of the impact on jobs, poor data collection makes it difficult to determine the value of the training.

It is clear that during the 2006/07 financial year, the DoL undertook the following training:

- 26,533 levy-paying Small, Medium and Micro-enterprise (SMME) and 4,204 non-levy paying enterprises were supported;
- 57,577 workers entered learning programmes and 21,423 completed those;
- 46,095 entered all ABET levels and 12,748 completed those;
- 118,153 unemployed individuals were trained in skills programmes and 90,691 were placed;
- 8,695 learners in critical skills were assisted to gain work experience;
- 3,287 youth entered new venture creation programmes. A total of 755 NVCs from 981 who were trained in 2005/06 were sustainable after 12 months of establishment;
- 41,011 unemployed learners entered learning programmes and 12,251 completed those.

Box 2: Employment skills and development performance (2006/07)

Skills development funding
<ul style="list-style-type: none">▪ 81% of the R2.2-billion budget has been spent or committed▪ R10m has been budgeted for the printing of guides and training of career guidance counsellors▪ R37m was paid to seven providers to train 20,000 unemployed ABET learners▪ R316m in grants was approved to benefit 10,900 learners in learnerships, apprenticeships and internships▪ 1,148 undergraduate and 1,042 postgraduates students received bursaries totalling R78.5m
SETA coordination
<ul style="list-style-type: none">▪ 98,588 employed and unemployed learners entered training programmes linked to scarce skills and 33,674 completed the training▪ 3,287 youth trained to from new ventures
Indlela
<ul style="list-style-type: none">▪ 9,387 assessments were arranged and of the 7,905 tested, 40% passed

Source: Department of Labour Annual Report (2007)

What is less clear is the impact of the training.

Each learnership funded cost almost R30,000 and ABET training costs around R1,800 per learner. Skills based training costs vary. The question of whether this training enabled people to secure work or better paid work remains unanswered.

While, not accurately measured at this point, it is the belief of some stakeholders that tens of thousands of people are able to generate incomes as a result of DoL funded training, even if not by the exact means as was originally intended.

ASSESSMENTS

Capacity

A key weakness in the DoL system is the lack of adequate capacity. Many local labour centres are unable to deliver a full spectrum of services and to tailor make these services to meet local needs because to a lack of resources and people. More people and different skills are required to meet the requirements of an effective employment intermediation service.

Mechanical system

The volume of workers that pass through the DoL system inevitably means the service becomes depersonalised. Consequently the registration of job seekers appears to be a purely mechanical exercise. In addition, the system is not interactive and is open to manipulation.

Measurement

The DoL's impact on the labour market is difficult to measure and it recognises this as a major shortcoming. The ESSA system is meant to redress this and provide accurate statistics that can then be used to assess impact, determine policy and direct funding.

There is no monitoring system and, as a result, no statistics are available. For example, there are simply anecdotal statements such as: 'placement statistics are extremely low'. There is no record of employer phone calls requesting skills and neither is there tracking of the job seekers.

There is also no structured feedback mechanism between the job seeker, the local labour centre and the employers.

Currently, the DoL makes extensive use of national census statistics. Where the department is able to collect its own data from provincial offices or labour centres, this is forwarded to the national office for analysis. It has been suggested that it would be useful to allow provinces to provide analysis of some of their own data as circumstances differ between provinces. A national interpretation of combined data may, in some cases, lead to erroneous conclusions.

Once the DoL is able to gather accurate, relevant data on its own operations, it will be important to measure the impact of private agencies and labour brokers.

Marketing

There is no marketing of the system within government or to the private sector; consequently, there is duplication of efforts and low levels of use.

Database

The database system is not working. A shared job seeker database on its own cannot be effective. Unless there is strong buy-in across government and the private sector to the use of the service, and unless the service is well maintained and marketed, it will not succeed. Furthermore, job seekers and job providers need complementary, non-IT based services. In the case of job seekers, these services could include job counselling, CV preparation, interview training, skills assessments, life skills training, technical skills training, among others. Job providers require services such as initial candidate screening and job matching, labour relations information, assistance with registration of workers, and information sharing.

Skills Development Act

The *Skills Development Act* (SDA) was passed in 1998. Since its implementation, the DoL has focussed on skills development but has neglected other employment services. In fact, in 2000, the DoL's vocational service, which included career guidance and counselling, was terminated. The rationale then was that high unemployment and low skills could best be combated by providing skills to the unemployed.

However, more than seven years later, both high unemployment and skills shortages remain a huge problem. There are several possible contributory factors, including:

- The skills match is wrong. Universities are producing graduates that are not needed by the economy;
- The formal primary education sector is weak;
- The formal economy is not producing enough jobs to meet current labour supply; and
- The focus should be on training that is related to the scarce, critical skills list rather than being community needs-based.
- Accreditation of courses is also problematic. Most short term courses are not aligned with unit standards and, therefore, do not fall within the National Qualifications Framework. Currently, approximately only 200 of 900 courses have been converted to unit standards;
- Lack of proper career guidance at school;

- The SETAs have not functioned as intended (as is discussed in the next section on SETAs).

Amendments to the SDA, due to be passed in early 2008, include:

- Compulsory registration of job vacancies by businesses;
- Re-introduction of vocational services; and
- Regulation of temporary employment services (i.e. job brokers).

There is a need to refocus the training services offered by the DoL. If the objective is to mediate between job seekers and job opportunities through skills development, then the focus must shift away from short term, government projects and towards long term, private sector work opportunities.

Sector Education and Training Authorities

The role of SETAs has been primarily to facilitate apprenticeships. When originally established, SETAs appeared to be very viable because the relevant bodies seem to have been created and had the requisite funding from skills levies. However, SETAs have not worked as was originally envisioned. Some of the issues associated with SETAs include:

- Perceptions that NQF qualifications from SETAs are inferior to those of university or technikon qualifications and workplace learning. Companies seem to be opting to hire people with higher qualifications and less experience, ignoring people within their own organisation with more experience;
- Overspending and irregularities within some SETAs have been reported in the media;
- Many companies do not realise fully the benefits to them and simply pay the required levy every month without ever claiming;
- A lack of buy-in from institutions of higher learning; and
- Perceptions that Further Education and Training (FET) colleges are better than private training providers that are fully accredited by the SETA, even if they have the added advantage of being able to conduct training in outlying areas rather than bringing people to a central point.

SETAs should be able to plan and undertake skills development on a provincial basis, given that circumstances and needs differ from province to province. It is possible to do this and still meet national targets. For instance, in the seven years since the SETAs were first operational, priority areas per province have altered substantially. In a provincial approach, the Western Cape may, for example, focus more on tourism while the Eastern Cape may have a strong ABET focus.

Inter-governmental relationships

Increased cooperation between government departments could increase significantly the positive impact on unemployment. Two specific forms of cooperation have been highlighted:

Firstly, while a lot of training is being conducted, the challenge remains to secure employment where there's no market for the skills on offer. Hence, there needs to be linkages with local areas of growth and planning by the DoL while the SETA must link in with that of local municipalities and provincial government departments. This need has already been acknowledged with the creation of the Provincial Skills Development Forums. However, in the Western Cape for example, this forum is pending re-activation after a year of not meeting, but that will happen only once the Provincial Growth and Development Strategy (PGDS) is finalised.

Secondly, it has been suggested that if provincial government departments and local municipalities pooled their skills development budgets, then together they could have a more discernable impact on unemployment in a province.

Lack of clarity on roles and responsibilities

One of the features of the South African state-run employment intermediation services is the lack of clarity over the respective roles and responsibilities of different departments and spheres of government. The largest confusion centres around who is responsible for the overall management of skills development and training: is it the DoL (under which SETAs fall) or the Department of Education (or DoE), which is responsible for overall management of the education system? An example of this is around some of the FET colleges which are funded by the DoE, but are also paid by the DoL to deliver training. More structured cooperation between these departments is clearly a necessity.

Constraints of a legalistic approach

A legal approach towards ensuring private sector involvement within the system could be regarded as threatening by some businesses. Instead, the approach by the DoL should be to create a quality product that is attractive for businesses to use. Currently, the quality of service offered by the DoL is poor and the presentation and marketing of the ESSA is critical to the successful repositioning of the department. Direct engagement is needed between local labour centres and local businesses to explain the ESSA and encourage participation by businesses

LESSONS

- To deliver a quality service, adequate staffing is a necessary condition. The role of ESPs is an important one and the capacity and resource constraints they face currently compromise their ability to deliver services to the unemployed. The DoL has only received funding from the Treasury for half the required staff. In addition, the skills levels of staff are a lot lower than that found in NGOs and private agencies.
- The value and necessity of accurate and relevant information and statistics should not be underestimated. Feedback on placements is critical to determining the impact of services and for future planning. Without data, it is impossible to determine the impact of budget allocations or to make the right management decisions about strategic priorities.
- Skills development training should not be rendered in the absence of other employment services, such as job readiness training and coaching.
- A one-size-fits-all approach to assessing skills gaps and determining training needs at a national level is not ideal given that circumstances and requirements can vary significantly between provinces.
- To ensure more and better placements, training should be linked to the needs of the local economy. In addition, linking production to training is a useful way of providing learners with real experience and for, possibly, contributing to the community.
- Technology can only ever be part of the solution. Databases that are not alive and personalised add limited value.
- Limited networks between staff servicing these centres and businesses, both formal and, even more importantly, informal businesses, limit their ability to match supply and demand.

- A stipend for learners when training often makes a fundamental difference in their ability to complete the training.
- Inter-governmental cooperation is important to ensure maximum impact and to minimise duplication. In cases where the work of government departments overlaps significantly, a more structured level of cooperation may be required.

CASE STUDY 2: EXPANDED PUBLIC WORKS PROGRAMME

INTRODUCTION

EPWP and employment intermediation

The Expanded Public Works Programme (or EPWP) is a governmental initiative, launched in 2003, as a short-to-medium term response to high unemployment and the marginalisation of vulnerable groups in South Africa. The aim of the programme is to provide limited duration work opportunities, linked to training that would position beneficiaries to access long term, formal labour market opportunities.

The EPWP operates in the infrastructure, social, health and environmental sectors. Within these sectors, EPWP projects are designed around labour intensive, infrastructure delivery, alien vegetation clearing and fire management, early childhood development and home-based community care. The EPWP: 'has generated approximately 716,400 work opportunities in three years, as against the target of one million over five years... the EPWP reaches about 7% of those unemployed by the broad definition and about 4% by the official definition' (Altman et al, August 2007: 1). The length of work opportunity varies per project type. For example, it is on average four months for infrastructure and six months for environmental projects (Altman et al, August 2007: 16).

During recent reviews of the EPWP, questions were raised about its impact and the possible areas for improvement of the programme. Some of the strongest criticisms of the programme focused on the short term nature of the jobs created, the limited training provided, the lack of post-EPWP support to beneficiaries, and the lack of tracking the actual impact of the programme on improved labour opportunity uptake. This is seen to translate into ineffective employment intermediation as it is not possible to assess whether the 716,400 work opportunities provided have translated into sustainable jobs in the formal sector or sustainable business opportunities. It has not been possible to assess, either, if one-tenth of the EPWP participants have succeeded in improving their chances of generating an income in their households.

Some of the options being presented are to refocus the EPWP from short term to longer term work opportunities, possibly through reducing the numerical targets of beneficiaries and/or facilitating access to formal job opportunities through the provision of accredited training and employment intermediation services.

Western Cape EPWP

In the context of these debates, the Western Cape Department of Transport and Public Works (DTPW) recently initiated a number of programmes piloting the up-scaling of the EPWP through employment intermediation programmes. The *Learnership 1000 Programme*, launched in July 2006, was one of the earliest such initiatives, lending itself to some evaluation. The other programmes, such as the New Venture Creation Learnership, Built Environment Masakh'iSizwe project, the National Youth Services, Exit Strategy programme and Youth Portal, have only been launched recently and it is not possible to provide a full analysis of their effectiveness yet.

LEARNERSHIP 1000 PROGRAMME

Background

The Provincial Minister of Transport and Public Works, MEC Fransman, launched the *Learnership 1000 Programme* in July 2006 as an intervention to support predominantly unemployed youth so that they can gain skills in order to enter the formal job market. One thousand, 18-months long learnerships were to be offered by the DTPW, directly related to industry demand, within the province. Work placements were a fundamental component of the design of the *Learnership 1000* programme and employers were to be actively approached to participate. The primary employers that were to partner in the programme were provincial government departments, municipalities, the South African Federation of Civil Engineering Contractors (SAFCEC), and the Masters Builders' Association. A formal agreement has been entered into between the DTPW and SAFCEC for the enlistment of SAFCEC members to participate in the programme.

Programme objectives

The project objectives of *Learnership 1000* were to:

- Implement 1,500 learnerships between July 2006 and December 2008;
- Attain at least an 80% success rate of completed learnerships;
- Deploy qualified learners in sustainable employment. A total of 800 learners are to access employment, through provincial or local projects and/or with private companies;
- Extend learnerships to all areas within the province with agreed targets;
- Contribute to the reduction of unemployment throughout the province via the implementation of trade-based learnerships in key economic sectors; and
- Promote Broad-based Black Economic Empowerment (BBBEE) companies.

The majority of the learnerships offered are in artisanal skills for the civil engineering and construction industries. Others were in the creative industries, the social and agriculture sectors. Table 3 lists the learnership opportunities offered through the *Learnership 1000* programme.

Table 3: Learnerships offered in the Learnership 1000 programme

Industry	Learnership
Construction	NQF level three courses: carpentry, masonry, painting, road works, mechanical engineering NQF level four courses: supervision of civil engineering construction processes: road works and labour intensive construction NQF level five courses: management of building construction and civil engineering processes
Creative Industry	NQF level four: arts and culture administration and live events management NQF level five craft operational management
Social services	NQF level four: child and youth care work Home based care

Local economic development	NQF level four: small business advising and local economic development
Agriculture	NQF level four: farm manager, animal and plant production courses
Professional driving	Focus on coaches and buses

Progress

Learnerships in progress

To date, 800 learnerships have been awarded and 700 spaces are still available within the programme. A total of 200 of these spaces are to be filled through the '*new venture creation learnerships programme*', whereby learners with entrepreneurial potential will be given facilitated access to state procurement opportunities coupled with accredited training. This programme is at the early stage of capturing applications and will be discussed in more detail in a separate section below.

Funding

The funding for the programme was sourced through a number of different financing instruments, including the National Skills Fund, the SETAs and the Umsobomvu Youth Fund. A concern raised in the interviews was that the funding of the programme was not secured at the outset, which meant that the financing of the programme remains a challenge for the programme managers throughout the roll out of the learnerships.

Programme Management

The Project Management Office within the Western Cape DTPW has been the key coordinating agency for *Learnership 1000*. Unfortunately, there have been serious administrative capacity constraints in the management of the programme. A number of service providers have been appointed to undertake programme management activities during a relatively short implementation period. A service provider was appointed to oversee the recruitment and selection process and another service provider, ISIVUNO (an Employment and Skills Development Lead Employer (ESDLE)), was engaged to solicit placement opportunities from municipalities and employers, to provide strategic management support services, and to facilitate the signing of Memorandum of Agreements with FET colleges. This contract was adjusted on 31 August 2006 and is now restricted to the handling of the application process and performing the human resource management function. The latter responsibility involves the payment of stipends to learners. Additional staff has recently been recruited by the DTPW to act as regional coordinators. The intention for the new staff is to manage the programme regionally and to track the learners participating in the programme.

The administrative deficiencies in the programme have been ascribed to weaknesses in the coordination, management, and also to the groundwork and planning of the programme.

Stakeholder management

Further Education and Training (FET) colleges, including Cape Town, False Bay, West Coast, Boland, South Cape and Northlink, were contracted as training providers. In certain instances, these colleges were forced to sub-contract the rollout of specific learnerships to accredited service providers as they themselves lacked the necessary accreditation. Sub-contracting by the FET colleges has proved a challenge for quality assurance within the

programme. One interviewee noted that the decision to appoint FET colleges as service providers, rather than engage in a competitive bidding process, resulted in the unintended consequence of higher prices being demanded for the learnerships.

Contracts are said to exist between the Department of Transport and Public Works (DTPW) and the FET colleges, the DTPW and the host employer, and the DTPW and the learners. A tripartite agreement among the lead employer, training provider and learner is meant to be submitted to the SETA for the registration of the learnership. Two of the interviewees raised a serious concern that significant number of learnerships has not been registered with the relevant SETAs. This is regarded as a major administrative weakness threatening the success of the programme. These agreements are necessary between the learner, service provider and SETA in order to ensure the registration and issuing of the learner qualification. If the interviewees are correct, and if the agreements do not exist, then the *Learnership 1000* programme is 'illegal' as there is no authorisation from the SETAs and, therefore, no quality control. The situation can be salvaged as the service providers maintain learner portfolios, which can be used in the finalisation of the required paperwork. However, until this matter is addressed, the programme is at risk.

The SETAs have been peripherally involved, mainly as members of the Technical Advisory Committee (TAC), in the programme. The SETAs that participate in the TAC are those that offer learnerships related to the *Learnership 1000* programme. The SETAs are expected to perform the quality assurance function for the training providers. However, problems related to the formalisation of agreements between the FET colleges, learners and SETAs have impacted negatively on the ability of the SETAs to perform this role.

The Departments of Social Development and Health have been responsible for the rollout of learnerships and placements within their respective sectors. These departments report back on the number of learners to the DTPW.

The Project Management Office has formalised a partnership with the Western Cape Education Department (WCED), whereby the WCED Further Education and Training (FET) colleges are the main training providers for the implementation of the programme. The DTPW, the WCED, the Western Cape SETA Cluster (representing all regional SETA offices), the Department of Labour and dedicated agencies for recruitment and work placement are all represented on the Technical Advisory Committee of *Learnership 1000*. The functioning of the Advisory Committee appears to be weak with the DTPW playing the dominant role in the rollout of the programme.

Programme performance

Selection process

The *Learnership 1000* programme was marketed through provincial newspapers and applicants responded directly to the DTPW. A help desk was set up in the entrance of the DTPW building to assist applicants. It was estimated by one interviewee that 50,000 applications were received in response to the adverts. The majority of the respondents were youth from all races and classes. A service provider was appointed to collate and prepare the applications, and undertake an initial assessment of the learners. Gender and race representivity was also considered in the selection process. The DTPW argued that an important selection criterion was the type of learnership that was being applied for and whether it was available within the *Learnership 1000* programme. An interviewee commented that the initial assessment was simply based on three questions posed to each learner. One of the questions was which learnership s/he was interested in. It was admitted

that many learners only received their third choice and were, therefore, often placed in learnerships in which they had limited interest. The Department of Labour's recognition of prior learning assessment of learners took place after the learners were already accepted into, and allocated within, the programme.

The initial selection process was criticised by some of the interviewees and presented as a fundamental weakness in the programme implementation. It was said that there was extensive political influence in this process and that many of the learners were accepted for 'the wrong reasons'. The motivation of many learners applying to the programme appeared to be the R 120 per week stipend that was to be paid as part of the learnership programme. It is widely accepted that a transparent and rigorous recruitment process is a critical success factor in learnership programmes.

Drop out rate

A target of 1,500 learners was set to benefit from the learnership programme. The DTPW indicated that 800 learners have been engaged this far, and of the 800, 640 remain within the programme. This indicates a 20% drop out rate, which is significantly lower than the national figure of almost 80%. The latest figures, however, could indicate a higher drop out rate than initially estimated by the department. For example, the number of learners still being paid stipends is 240.

The DTPW is concerned about the drop out rate of learners. Currently, the programme lacks a post-learnership or interim exit strategy for learners. This means that when learners exit the programme before the completion of the learnership, they receive no training credits. The DTPW intends to design a mechanism that allows for some form of accreditation for work completed by the learner at various stages of the learnership.

In *SETA Results a Big Blow for Government*, an article published in the *Mail & Guardian* (26 October-1 November, 2007), it was reported that only 19% of learners completed their learnerships. It was stated that an independent report on SETAs by Singizi Consulting indicated that most learners entered learnerships merely because they wanted to access the stipends provided through the programme. Once these learners found alternative employment, they left before they could complete their learnerships. Paul Lundall, a researcher on skills development, was reported as providing two reasons for the high drop out rate of learners: the first was poor selection procedures of learners; the second was the poor support mechanisms in the learnership programme.

Work placements

Work placements have proved a challenge in the *Learnership 1000* programme, as it is difficult to find employers who are willing and able to provide mentorship and supervision. A key objective of the programme is to facilitate access of learners to sustainable employment opportunities. However, this is proving the most significant challenge and, possibly, one of its weakest links. Whereas the relationships between the training service providers and the DTPW are formalised, there are very few formalised partnership arrangements between employer bodies and the department. Additional resources need to be allocated within the programme to work with employers in terms of securing long term jobs for the learners.

The quality of work placements has also been an area of concern. In municipal LED placements, for example, some learners report poor supervision levels and being assigned menial work tasks by the employer. Employers raise concerns that they do not have the necessary capacity to mentor and engage the learners appropriately. This means that the

work placement experience is weak and does not sufficiently capacitate or expose the learner.

The number of actual, long term work opportunities has varied per sector and throughout the province. For example, while 70 learnerships were created through the SAFCEC agreement, only 28 long term work placements resulted. Employers in the construction industry indicated that only 20% of learners would get formal employment. One of the reasons provided for the low level of permanent placements was the negative feedback received by potential employers of the learners. An interviewee stated that few of the learners had a positive work ethic and that they were not coached or disciplined by the DTPW programme managers in this regard. The learners had the expectation that employers would simply recruit them, but employers evaluated them throughout the learnership experience prior to making a long term commitment. Another reason provided for the failure of learners to attain long term employment was the inappropriate nature of some of the learnerships being offered. It was pointed out that, currently, in the Southern Cape there is only one large road works contract underway because firms in this industry are being redirected towards the construction of stadiums. This translates into very few work opportunities for learners who have the road works learnership.

There were some positive experiences related to initiatives taken by certain service providers. In the Southern Cape, a proactive service provider, subcontracted by the local FET college, took the initiative to negotiate with employers to place learners. The service provider informed the DTPW regarding the need for a coordinator for the programme to facilitate work placements. This proactive approach secured the placement of all 28 road work learners and 30 building learners in their training programme.

Skills demand

The kinds of skills that have been absorbed in the market through the *Learnership 1000* programme are:

- Construction related skills, except for plumbers, as the trade appears to have a higher risk level attached to it than masonry and carpentry, and road works; and
- Arts and crafts, through activities such as theatres and tourism-related businesses.

The skills that have not been absorbed have been the LED learners. This requires municipal placements and municipalities tend to prioritise local labour above absorbing external skills. The skill that has proved itself not easily transferable is that of professional driving with learners battling to pass the required tests.

Information management

The *Learnership 1000* programme is operating currently on a Microsoft Access database. This database captures learner information, but is a static dataset and does not track learner performance or work placements. The DTPW intends to replace this system with its project management IT system.

Programme monitoring

The FET Colleges are required to have a Log Book for each learner where attendance and tasks, related to the completion of each unit standard, are recorded. They are also required to verify the performance of each learner in the Log Book. Each learner is required to be mentored by a supervisor.

The SETA Quality Assurors are meant to monitor the quality of the training and assess the suitability of placements. However, as discussed earlier, the non-existence of signed agreements with the SETAs

has seriously impacted on this aspect of monitoring. In reality, the Learner Log Book appears to be the sole monitoring instrument in place.

Unforeseen costs

Stipends of R 120 per week were paid to learners. These stipends have presented a perverse incentive to learners, with many remaining in the programme simply for this reason. It has also been difficult to find placements near to the learners' homes, which has resulted in escalating programme costs required to address accommodation and transport needs. A culture of expectation among the learners has also created problems; there was a publicised "strike" by the learners in mid 2007.

Learners' skills gap

The *Learnership 1000* programme was targeted at youth who had not completed grade 12 and could not access FET colleges without assistance. The skills requirement of this target market was underestimated, with a basic skills gap becoming increasingly apparent during the roll out of the programme. It is clear that many learners within the target market require basic ABET training prior to entering a learnership. Either the target market or the programme design needs to be adjusted.

Lessons from the Learnership 1000 Programme

The relevant lessons are:

- Excellent programme ideas can go wrong if not properly pre-planned and managed.
- A dedicated and capacitated programme management capacity is required to deal with all aspects of the programme. It should be developed up front addressing both the strategic and operational components of the programme.
- In a multi-stakeholder programme, upfront engagement and buy in with partners is essential for success. The *Learnership 1000* was set up in a truncated fashion and compromised on this area with critical results. All partners, especially the SETAs, should be properly briefed and clear partnership agreements entered into. Formal compliance with all learnership requirements is necessary to ensure proper registration and accreditation of learners. Essentially, the securing of work placements is not clearly programmed. This area requires attention in the *Learnership 1000* programme because it is unclear as to how many placements have been agreed to and by whom.
- The quality of service by all partners needs to be monitored. This includes: project management, training, work placements, and post learnership support. It is not sufficient to simply offer learnerships; all the aspects of the programme need to be effective.
- There needs to be a stronger understanding of the target market in order to properly design and cost the programme. For example, youth who have not passed grade 12 require additional training and support prior to entering a learnership.
- Despite learnerships offering subsidised workers to employers, there is not an overwhelmingly positive response by employers to take up the opportunity. Further engagement needs to be undertaken with employers to understand the reasons why and to address their concerns. The DTPW is considering the inclusion of participation in learnership programmes by employers as part of the state's procurement requirements. However, there are concerns that this will increase the costs of doing business with the state and is not a sufficiently engaging response to the needs of the private sector.

- Not all learners complete the learnership and various exit options and strategies must be developed so those programmes 'drop outs' are not lost.
- The major funding sources for the programme should be secured prior to project roll out to ensure effective operational management.
- A transparent and credible recruitment process is a critical success factor for the roll out of learnership programmes.
- Service providers should be appointed on a transparent and competitive bidding system to ensure the quality of the programme and so that the best prices for products received are accepted.
- A learnership programme targeted at youth should address life skills, such as work ethic, time management, conflict management, personal financial management, among others, to support the technical skills. Such 'soft' skills are equally important when accessing job opportunities.

NEW VENTURE CREATION LEARNERSHIP PROGRAMME

Background

The *New Venture Creation Learnership Programme* is part of the Economic Sector Management Plan of the EPWP national office and has targets set for each province. The targets for the Western Cape *New Venture Creation Learnership Programme* were launched as part of the *Learnership 1000* initiative. *Learnership 1000* will be used to identify learners that show potential and could benefit from the *New Venture Creation Learnership Programme*. The programme intends to develop these learners into fully-fledged entrepreneurs, able to execute contracts efficiently and effectively.

Programme objectives

The emphasis of the programme is to develop technical and entrepreneurial skills within specific business activities. Thirty learnerships are available through the programme in the following categories:

- Supply chain ventures in the oil sector;
- Supply chain ventures in general government purchase;
- Electrical ventures;
- Information Technology ventures;
- Project management ventures in the built environment;
- Waste management ventures;
- Pest control ventures;
- Cleaning service ventures;
- Events management ventures.

The applicants are required to:

- Be willing to form a new closed corporation for the purposes of the learnership and have 100% shareholding of the firm;
- Enter into the national certificate: New Venture Creation Learnership NQF level four;
- Be literate and numerate;
- Have academic qualifications of a minimum of grade 10.

The selection process is currently underway and will favour applicants who have:

- Experience in the relevant sector;
- Experience in owning or running a business;
- Higher qualifications than the minimum specified;
- Access or ownership of capital assets that would be useful to the company.

On completion of the programme, the DTPW will facilitate access to state contracts for the new ventures.

Comment

The National EPWP New Venture Creation Programme has been subject to a number of criticisms, centring on the over-reliance on learnerships as EPWP support to developing new businesses and the rejection of business support and creation initiatives that do not fit into the programme's rather rigid frameworks. National level SETA Memoranda of Understanding have not necessarily translated into partnerships at a provincial level, while the extent of the 'hidden costs' implicit in managing the national programme at provincial level has raised concerns.

The National EPWP New Venture Creation Programme is also linked to the *Learnership 1000 programme* and is, therefore, not free of its baggage. The transparent, fair and appropriate selection of beneficiaries is critical if the programme is to meet its objectives. What is also clear is that a learnership will not be the only form of support required by the new venture owner; more active facilitation of the owner to access other SMME support mechanisms and other procurement opportunities will be necessary prior to the new venture being sustainable.

NATIONAL YOUTH SERVICE

Programme objectives

The *National Youth Service* (NYS) requires each province to target 500 youth for participation in skills programmes in the construction industry. Skills programmes offer fewer unit standards requirements than do full learnerships. This forms part of the broader national '*Youth in Construction*' strategy. A strategic plan for the initiative was developed in July 2007 in the Western Cape. The identification of participants is underway.

The programme objectives are to provide the learner with:

- Marketable skills
 - Technical skills;
 - Life skills;
 - Entrepreneurship, including skills for managing a cooperative;
- Basic skills and knowledge
 - First aid skills;
 - Occupational health and safety;
- Entry into the built environment industry through work place training; and
- The facilitation of a permanent job opportunity

Programme design

The technical skills to be offered will be in the artisanal categories of: electrical, air-conditioning, carpentry, plumbing, general building disciplines, plastering, supervisory and bricklaying. The intention is to use the learners in maintenance projects within public works programmes for work place experience. The learners primarily will be placed with service providers contracted by the DTPW. The life skills training is a core component of the programme and is intended to ensure that the young people are developed holistically to enhance their employability and to understand their roles within their respective communities.

The comprehensive Entrepreneurship and Cooperatives training will be introduced half way through the NYS training as part of an exit strategy. The intention is not to provide all learners with this additional training component. The target is to train 50 youth who have demonstrated an entrepreneurial ability through the NYS.

The plan is to keep a database of all participants upon completion of the programme. The database will be used for consideration of positions within the DTPW and the construction industry. There is a plan to absorb a large number of participants in refurbishment and maintenance projects. Consultation with private firms that are already in contracts with the DTPW is underway. Negotiations are to be pursued with the FET colleges and the SETA to allow learners to enrol for a full qualification in their chosen fields.

Programme roll out

The Department of Transport and Public Works (DTPW) has used the databases of the Umsobomvu Youth Fund (UYF) and the provincial Youth Commission (WCYC) for the identification of programme participants. The DTPW has invited these youth to apply against certain criteria for the learnerships. The programme has been developed to enable a working partnership between the DTPW, Department of Labour, UYF, WCYC and NYS.

The selection criteria for the NYS participants include:

- Possession of a valid SA identity book;
- Residence in the Western Cape;
- Being between the ages of 18 – 35 years;
- Qualifications of at least grade 10 or equivalent (with Recognition of Prior Learning (RPL), where appropriate);
- Willingness to enter into a full, one year long National Youth Programme which will include youth development activities, technical and on the job practical training;
- Experience in the Built Environment trades, such as bricklaying, plumbing, plastering, carpentry, as an advantage;
- At least 85% of applicants should be from a previously disadvantaged background;
- At least 50% must be women;
- At least 1% should be disabled; and
- At least 1% should be youth in conflict with the law.

The assessment of the applicants will be conducted by the Department of Labour. Applicants are required to attend compulsory briefing sessions for information about the nature of the programme and the formal registration process.

A further learner assessment and RPL will be conducted post-selection to divide the beneficiaries into the various artisanal skills categories and to determine additional needs and learners with potential entrepreneurial talent. On the basis of this second assessment, learners will be allocated to skills programmes that suit their competencies. The EPWP team in the DTPW and the NYS Project Coordinator will be responsible to ensure that these assessments are carried out.

Off-site technical and on-site training will be facilitated and assessed by the Department of Labour. Service providers, including FET Colleges, accredited by the Construction Education and Training Authority (CETA) will be used for the training.

The DTPW is considering linking the *National Youth Service* programme to *Learnership 1000* as they share similar objectives.

Comment

This programme is being implemented in a similar manner to *Learnership 1000* and all the lessons pertaining to that programme will be relevant to the roll out of the NYS.

EXIT STRATEGIES PROGRAMME

Overview

To date, the transition between EPWP participation and accessing sustainable employment opportunities has not been sufficiently analysed across the national programme, and there is currently no tracking of EPWP beneficiaries or knowledge of their current activities or socio-economic status. The mandate of the Western Cape EPWP is to create 40,000 work opportunities per year.

Proposed roll out

The Exit Strategies Programme has been designed to fill this gap by tracking all Western Cape EPWP beneficiaries in order to assess whether there is a correlation between EPWP participation and accessing sustainable economic opportunities. It has the following objectives:

- The review of global experience in designing and implementing graduation and exit strategies, with a special emphasis on public works programmes.
- The identification of well designed, successfully implemented exit strategies that have been employed by public works programmes.
- The determination of common enabling factors of, and constraints to, successful exits of individual public works programme beneficiaries.
- The compilation of the suite of recommendations for the implementation of exit strategies for public works beneficiaries.

The Exit Strategies Programme is a necessary research project that will need to inform the design of the future employment intermediation programmes within the province, possibly even nationally. The quality and integrity of the research is critical.

JOBS PORTAL

Programme design

The *Jobs Portal* is an initiative of the National and Western Cape Departments of Public Works and intended to facilitate or enable linkages between recruitment agencies, employers and work seekers. It was launched in November 2007. The website address is:

www.umsebenzi.gov.za. The idea behind the *Jobs Portal* is to 'upscale the Expanded Public Works Programme (EPWP)' through facilitating work opportunities and skills development.

The objectives of the *Jobs Portal* are to:

- Assist job seekers in finding jobs and employers in finding qualified workers. There is both a recruiter portal and unemployed persons' portal;
- Develop a comprehensive electronic database of unemployed people and their skills;
- Use existing Internet-enabled public access infrastructure (e.g. Smart Cape) to allow people to get information on programmes, register, develop and update CVs, get access to the Internet and email, and apply for jobs, among others;
- Develop a strategy and proposal for extending the network of Internet-enabled public access points to areas where they are currently unavailable;
- Develop a strategy and proposal for the creation of a mobile Public Works Access point that can be used to service areas where infrastructure does not really exist.

The idea is for public and private sector employers to navigate a database of unemployed people in specific communities to match them to job opportunities that are available locally. Additional community benefits will be:

- The creation of the 'one-stop-information-shop' for all government jobs and skills development initiatives within the Western Cape. This system will be publicly available via the Internet; and
- A database that can be used to recruit beneficiaries for youth development initiatives, such as learnerships and skills programmes.

Programme roll out

The roll out of the *Jobs Portal* is primarily through the Community Development Worker (CDW) core. One hundred CDWs have been trained to capture work seeker information and provide career advice. The CDWs are able to input work seeker data via their cell phones. Library facilities are used for access to computers throughout the province. A *Jobs Portal* help desk has been established within the DTPW. A post for programme manager has recently been approved to manage the IT, help desk and toll free number and encourage employers to participate in the portal. The MEC for Transport and Public Works intends to impose a requirement that service providers accessing government contracts through the department must use the *Jobs Portal*. Currently, there are 10,401 registered users of the site; two job adverts have been placed; and 12 opportunities, such as skills programmes advertised, albeit solely for the same provincial department.

Comment

The *Jobs Portal* success will lie in the non-electronic components of the programme. Employers and recruitment agencies need to be engaged proactively and mobilised to use the *Jobs Portal* to advertise vacancies and search for recruits. The learners will require more support than merely entering their information in a database, and that will include life skills training, assistance in preparing CVs, career advice and mentoring. At this stage, it is much too early to evaluate the effectiveness of the programme but an early warning to note is that an employment intermediation programme cannot simply be an electronic portal.

LESSONS

As the EPWP is being re-evaluated, interest in employment intermediation programmes will definitely grow. The DTPW has been proactive in testing a range of models that could begin to facilitate the linkages between the unemployed and the formal economy. A number of lessons are beginning to emerge from these models:

- Employment intermediation programmes require a multi-dimensional approach that addresses: recruitment and selection, mediation with employers, the contracting of appropriate service providers in the case of learnerships, learner support and discipline, life-skills training, administration with formal and legal requirements with regard to learnerships, placement of learners, post placement support, exit points and alternatives. Each part of the programme needs to be carefully planned and managed.
- Strong management is required and must be regarded as credible and transparent. This is particularly important to ensure stakeholder commitment and buy-in.
- The potential impact of the 'Up-scaling EPWP' programmes has not been realised, owing to strategic, administrative and operational constraints in the programme. While the DTPW should be commended for its innovative approach, it may be necessary to reconsider the implementation mechanism for the programmes. For example, the DoL has the systems and structures in place to manage the roll out of learnership programmes. It may be more appropriate for the DTPW to enter into a service level agreement with the DoL to manage these programmes on its behalf.
- The relationship between the public and private sectors must be strengthened in the roll out of the programmes. These initiatives are public sector driven, but depend on the private sector for the long term employment opportunities for learners. The role of the private sector should be strengthened to improve their commitment and buy-in to the programme.
- The work ethic and attitude of some of the learners needs to be addressed. Those learners who participate in the programmes simply to benefit from the stipends reduce the credibility of the initiative and threaten the ongoing support of the private sector to the programmes.
- The recruitment and selection processes need to be fair and transparent. The learners must be channelled into appropriate learnerships.
- The roll out of the programme at a provincial level has become increasingly difficult and the move is towards decentralisation through the appointment of regional coordinators. The buy-in of local government may be stronger if municipalities were appointed as service providers and responsible for managing the programmes on behalf of the DTPW.
- Service providers need to be appointed on a competitive bidding process and closely monitored to ensure the most efficient and effective programmes are implemented.
- Electronic management of programmes is extremely important, but an insufficient condition if an employment intermediation service is to succeed.
- Perceptions of political bias and manipulation in the programme can have a negative impact on the credibility of the initiative. A champion must be identified to ensure that the vision driving the programme is not lost.

CASE STUDY 3: EKURHULENI JOB PLACEMENT PROGRAMME

INTRODUCTION

The Ekurhuleni Job Placement Programme (JPP) pilot was launched in February 2006. It is a partnership programme between the Ekurhuleni Metropolitan Municipality, the Department of Labour and the Lewisham Municipality aimed at employment intermediation between work seekers and employers in the Benoni economic node within Ekurhuleni.

The Ekurhuleni Metro economy is undergoing a significant restructuring process that is shifting economic activity from a mining base towards manufacturing and services. Manufacturers have been under increasing strain through intensified global competition and a strong Rand; consequently, manufacturing firms have had to adapt or die. These pressures have resulted in retrenchments and job losses within the traditional economic sectors. The unemployment level within Ekurhuleni is now 41%, with 28.1% of the population living in poverty. A total of 53% of the population is economically active and approximately 10% of whom are employed within the informal sector.

The intention of the Ekurhuleni Growth and Development Strategy was to bind all stakeholders into a common understanding of the social and economic challenges facing the metropolitan area, and to develop a shared vision for all stakeholders. The JPP pilot was one of the outcomes of this shared vision. It also built on an existing partnership between Ekurhuleni and Lewisham municipalities.

Project overview

A joint exchange between the Lewisham and Ekurhuleni municipalities on issues pertaining to unemployment resulted in the *“Improving the Ekurhuleni Economy through Employment”* project. The Lewisham municipality targets the inclusion of marginalised communities, such as unemployed youth, ethnic minority groups, ex-offenders, incapacity benefit customers and single parents into the economy through a number of successful employment services models (as outlined in the annexure on Lewisham’s employment intermediation efforts). The Ekurhuleni Job Placement Programme was identified as a tangible job brokerage employment services instrument that could be pursued through a partnership agreement between the Ekurhuleni Metro and the Department of Labour. The partnership was extended to include the Umsobomvu Youth Fund (UYF). A strong motivating factor for the inclusion of the UYF was the contribution it offered in terms of an effective information management system for the JPP. It was agreed by all partners that the JPP would be piloted in the Benoni Local Labour Centre. The JPP was modeled on the Lewisham Jobcentre Plus Programme. Funding for the partnership programme was accessed through the Commonwealth Local Government Forum’s (CLGF) Good Practice Scheme which is funded by the Department for International Development (DFID) in the United Kingdom.

Description of the JPP

The target markets for the pilot were the unemployed, the unskilled, workers in insecure or low paying jobs, and employers within the Benoni economic node.

The key services offered by the JPP were:

- Registration of work seekers’ CVs on a database;
- Registration of employers’ employment opportunities;
- Provision of life skills training, such as job hunting and interview skills;

- Job brokerage or matching linked to the skills shortages and vacancies of local employers;
- An employer engagement programme designed to identify and address the factors restricting employment; and
- Post–employment support to both the new employees and the relevant employer in order to ensure job retention.

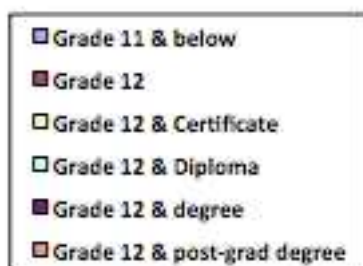
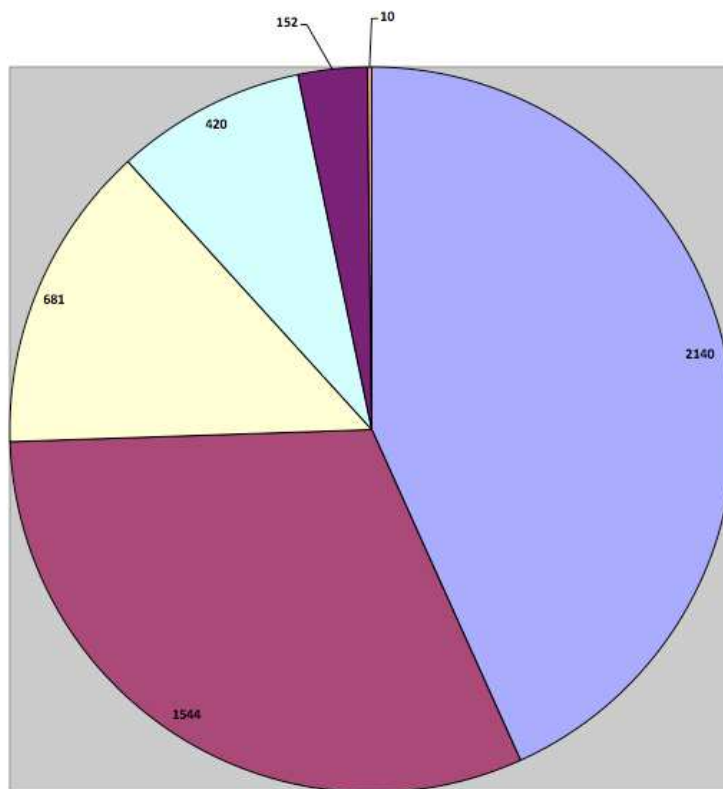
The approach was to build on what was already in place within the metro, such as:

- Engaging local employers on matters of skills and vacancy requirements, the content of training programmes, and their offering of work placements; and
- Engaging with, and linking to, existing stakeholder structures, such as ward committees and business chambers, in order to market the programme.

Profile of the work seekers

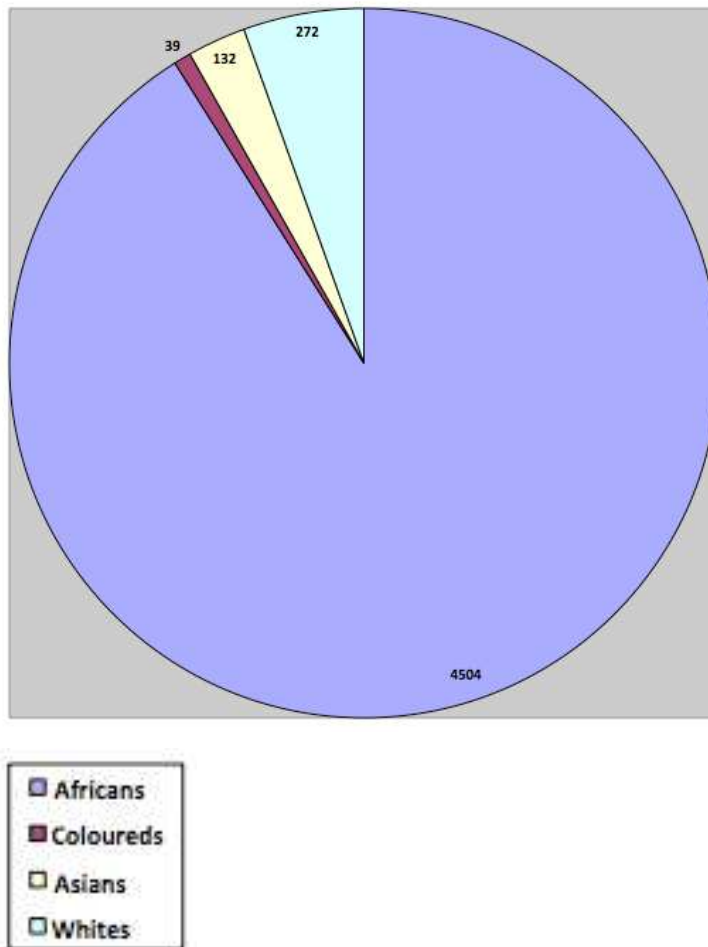
A total number of 4,947 work seekers approached the job placement centre during the pilot programme that ran between November 2006 and April 2007. Figure 2 is a pie chart illustrating the educational levels of these work seekers.

Figure 2: Educational attainment levels among JPP work seekers



Of the work seekers, 54% were males and 46% females. No people with disabilities were recorded as having approached the JPP.

Figure 3 illustrates the profile of work seekers according to population group.



Africans accounted for 91% of the work seekers; an unsurprising result given the high unemployment levels among African youth. However, the low levels of usage by the unemployed in other population groups could be addressed through targeted marketing campaigns. A total of 71% of the work seekers are between the ages of 16 and 35 years, and that is indicative of high youth unemployment rates in the Ekurhuleni metro.

Placement of the work seekers

Only 11% of work seekers were actually placed by the JPP. The highest number of placements was among matriculants. Of those that were placed, 64% were male, 100% African and 89% youth. Employers registered 405 vacancies and although 759 referrals were made, only 229 actual placements were secured.

One of the employers interviewed spoke extremely positively of the JPP. He indicated that the service had contributed to cutting costs in his businesses as he did not have to recruit people directly through newspaper adverts and following up through phone calls. The fact that the JPP registered local people also meant that he had reduced transport costs related to these work placements. He said, too, that the JPP would refer work seekers to his firm and they would then be subjected to a screening process, including interviews and a basic ABET assessment test. In his line of business, basic literacy and numeracy were critical skills

and work seekers needed to demonstrate an attention to detail. He suggested that to improve the work seekers' chances of a formal job offer, the JPP should prepare the candidates on how to conduct themselves during interviews and handle an assessment test. This specific employer motivated strongly for JPPs to be located at all labour centres, adding that as his firm is a national one he would like to use the service in various geographical areas.

Project management

The project was managed through a core team made up of three municipal officials and two Department of Labour officials. The metro adopted an inter-departmental approach and identified its three officials from the Local Economic Development, Health and Social and Corporate and Legal departments. The Department of Labour selected an official from the regional office and the Local Labour Centre, respectively. The core team members reported to their respective senior managers within their relevant institutions and the team was also responsible for regular interaction with the Lewisham partner. The most critical form of engagement was through exchange visits.

Roles and responsibilities

The core roles and responsibilities of the Ekurhuleni Metro in the pilot were to:

- Communicate and create awareness of the service;
- Broker sustainable delivery partnerships with local employers;
- Advise the local labour centres in order to improve the service; and
- Use the metro's community participation mechanisms, such as ward committees, to strengthen the relationship between the local labour centres and the community.

Capacity building of those officials involved in the pilot was necessary to enable the metro to perform these roles and to position the pilot as a possible national model. Officials were trained in facilitation, communication, marketing and business partnership skills.

The Department of Labour was responsible for the staffing and daily operations of the JPP at the Benoni Local Labour Centre. The DoL was also responsible for ensuring the necessary protocols were followed and that the front-line staff received the necessary training.

Umsobomvu Youth Fund provided the Information Technology (IT) system and requisite training required for the functioning of the JPP.

The Lewisham Council provided the JPP model, technical support and expertise.

PILOT ASSESSMENT

An assessment of the pilot was conducted by Thabiso Consulting, on behalf of Ekurhuleni Metro, between May and August 2007. The assessment was undertaken to inform all partners of the strengths and weaknesses of the model and to facilitate sharing of the lessons learnt. The methodology adopted included:

- One-on-one qualitative interviews with all relevant internal stakeholders;
- One-on-one qualitative interviews with identified external sector and civil society stakeholders; and
- Focus groups with internal stakeholders.

For the purposes of this employment intermediation study, permission was granted by Ekurhuleni Municipality for the use of the information generated by Thabiso Consulting's

assessment. This assessment was further interpreted and augmented with desktop research. It was considered inappropriate to conduct further primary research so soon after the last assessment. The report focused on the weaknesses and strengths of the JPP pilot.

Weaknesses

There were several weaknesses identified in the roll out of the JPP pilot.

Marketing and communication

The most critical weakness identified in the pilot was poor communication with stakeholders. It was found that knowledge of the pilot was limited to stakeholders and individuals that *approached* the Benoni local labour centre. The JPP was not presented proactively as intended by the Ekurhuleni Metro to businesses and communities.

The limited engagement with individual business, civil society and ward committees during the course of the pilot meant that the JPP was not widely known nor recognised as a metro service. Importantly, it was not used by business as their recruitment tool of choice. This has meant that the number of unemployed persons registered on the JPP database was far in excess of the number of registered employment opportunities. An employment intermediation service would need to have strong and credible employer involvement.

There was some attempt to communicate with communities through ward councillors and the GCIS programme regarding the JPP, but this attempt was not rolled out fully to all wards of the municipality.

Location of head offices of local businesses

The pilot focused on registering employment opportunities and unemployed persons within the Benoni catchment area. A significant reality was that many large, local employers report to head offices with recruitment departments located in the larger business nodes of the Germiston R24 corridor. The localised focus meant that key decision makers were excluded from any engagements processes that did take place.

Reliance on external stakeholder participation

While the JPP is offered as a public sector service, it is highly reliant on private and community stakeholder participation in, and use of, the services offered. The exclusion of these stakeholders from the partnership weakened their commitment to, and the effectiveness of, the programme. This also poses a key challenge for linkages between intergovernmental relations and the IDP processes. A fit between the two has still to be found.

Competition from established suppliers in the market

The JPP faces competition from established employment recruiters and brokers perceived as credible by big business in the Ekurhuleni area. The JPP presented itself as a social corporate responsibility programme, but some of the employer organisations indicated that while they supported the initiative they would not compromise the quality of their recruitments.

Centrality of an effective IT system

The efficiency and effectiveness of the JPP is reliant to a large extent on the capacity and capability of the IT system that is being used. The system is the primary platform for registering, recording, matching and listing information.

Initially, the registration data of work seekers was manually recorded and filed, and that required manual searches and matches. This was inefficient and hardly transparent. It was a

time consuming process and time bound as the early records were neglected and inaccessible. This manual system was replaced with an Excel based recording system, which also proved inadequate owing to sophisticated matching and listing requirements.

The Excel system was replaced, after the inclusion of the Umsobomvu Youth Fund (UYF) in the partnership, with the UYF's youth registration IT system. This system has been used in the pilot site, but still has limitations in that it was designed to the specifications of the UYF. Recently, the Department of Labour has commissioned the development of a tailored IT system which will be use during phase two of the JPP. The effectiveness of the pilot has been constrained, therefore, by the lack of an appropriate system and limited in its ability to manipulate and extract data.

Access to jobs is limited by job availability

The market still determines job availability and the JPP is constrained by this reality.

Bureaucratic delays

The core team expressed a concern that realistic targets and time frames should be set that take into account the bureaucratic environment of the JPP. The key factors impacting on the programme were the restructuring of the DoL and the run up to ward elections within the metro. The core team members were responsible for the JPP in addition to their other duties and found the JPP to be an additional work load with high time demands.

Silo delivery and management involvement

The JPP core team indicated that while resources and support had been allocated to the programme, the 'silo' nature of the individual departments within their institutions served to slow delivery. The Ekurhuleni core team members expressed satisfaction at the management of the programme by the Executive Director of Local Economic Development, the lead department in the project, and felt that the objectives and outputs of the JPP had been communicated effectively at both the executive and political levels. However, a weakness was inadequate interdepartmental communication. This resulted in limited awareness, understanding and ownership of the programme within the broader metro. The programme was seen as owned by the LED department.

The DoL core team members indicated a less "hands-on" management approach attributed to a lack of capacity because of the reorganisation of the entire departmental structure which took place during the pilot project. The allocation of resources to the JPP was regarded as an indicator of awareness of, and support to, the JPP from policy makers within the DoL.

Strengths

Although there were critical areas of weakness in the JPP pilot that require improvement, the pilot also demonstrated a number of key strengths.

Technical exchange with Lewisham

The skills development and exposure of the project team members to the Lewisham employment intermediation models strongly informed the pilot design and acted as ongoing points of reference during implementation of the JPP.

Systems are in place

The pilot was successful in putting in place efficient systems to manage the work seeker and employer registration process. These systems are replicable.

Commitment of partners

The core team officials of the DoL indicated the department's commitment to taking the programme forward based on the successes of the pilot. Indeed, the pilot secured the buy in of all the JPP partners. The second phase roll out is intended to secure the buy in of a broader range of stakeholders, including provincial and national government departments and the private sector.

Successful rendering of services

Services that were implemented successfully included: engaging, registering, and preparing professional curriculum vitae for the work seekers. Work seekers have also been capacitated through the availability of support services, such as 'on the floor registration assistance', and with training opportunities.

Effective training of JPP frontline staff and core team

Training and skills transfer has primarily benefited the core team and the Benoni local labour centre's JPP frontline staff. Training responsibilities have included:

- Department of Labour Regional Employment Services has trained the local labour centre staff in assessing job readiness, CV development and interview skills. The approach was to train the Benoni local labour centre and JPP Senior Supervisor as a trainer, and she was responsible for training the JPP 'frontline' staff. The training has been effective with the pilot labour centre staff reporting that they understand fully the purpose and requirements of their 'frontline' role.
- Umsobomvu IT Department trained the local labour centre staff in the use of their IT system.
- Lewisham Municipality has trained the core team members in effective facilitation, communication and stakeholder engagement skills. The core team was also trained in how to strategise, plan and implement a fully functional job centre and operational placement programme. The most successful training instrument was stated as the exchange visits between the two municipalities. The core team members were regarded as the primary beneficiaries of the Lewisham skills transfer.

Capacitation was not simply in the form of training and skills transfer; the 'frontline team' in the JPP was strengthened through:

- The redeployment of existing, experienced DoL staff; and
- The employment of additional customer service agents,

Impact on staff motivation

Staff at the Benoni local labour centre reported feeling more focused, dedicated and enthused in their jobs and as if they were making a positive contribution to people's lives. The tangibility of the intervention has been a positive experience for all partners.

Openness of business

During the evaluation it was pointed out that business chambers and associations viewed the JPP in a positive and welcoming light. However, of significance was the feedback from a number of the interviewees that business commitment to the JPP was dependent on performance: *“Get it right the first time and I am with you, get it wrong and I am gone”; “I am keen to support a service that carries such social value but I will not compromise my requirements or my standards with the quality of the candidates offered or the service provided”*. One Business Association stated that: *“If they bring the (business) bodies in, get that buy-in from the Chambers’ membership base organised then it will be sustainable, and we are more than open to this process, it is a value-add for all of us, employers, workers and government. But they must work on the business side to make sure that this happens, they need to bring us the information”*.

Smaller businesses expressed similar sentiments to those of big businesses. However, they were stronger in voicing their appreciation of the recruitment and compliance processes followed by the JPP. These processes are in line with the DoL’s protocols. It could be assumed that many small businesses would be more reliant on publicly funded recruitment services than large businesses. The general involvement of business in the JPP has been limited owing to poor communication by the metro.

Civil society support

The view of civil society respondents in the evaluation was that the JPP was an important step by both local and national government to address unemployment on the East Rand. These respondents were drawn mainly from social service organisations that operate in communities directly benefiting from the JPP service. The opportunity to register on a DoL sponsored regional database for employment in the Ekurhuleni area, with strong and established ties to the EMM, is viewed as adding both legitimacy and weight to those placed through this programme and to increasing significantly the chance of finding long term employment.

An important value add identified in the programme was the bringing together of all stakeholders, including work seekers, employers, women, youth and older people to create a space for everyone to benefit from the metro economy.

Successful testing of an institutional form

A JPP structure and institutional form has been established and tested. The escalation of the programme to a provincial or national level has been proposed.

Targeted employment creation

The JPP has enabled targeted employment creation, for example, the placement of nine Daveyton citizens with disabilities into full time employment.

LESSONS

A number of critical lessons have emerged from the JPP pilot:

- The importance of effective communication with each stakeholder grouping and the inclusion of these stakeholders throughout the duration of the entire project – specifically, conception, implementation and monitoring – is critical to secure participation and commitment. A newly developed marketing and communication strategy is to be tested in the second phase of the JPP roll out. This should ideally be

linked to government-wide communications and should make better use of councillors as well as the Community Development Workers as communicators.

- Certain key instruments for strengthening local economic development lie within national and provincial government competencies. Therefore, strong inter-governmental relations across departments and spheres of government are needed. The local government sphere has a facilitation and mediation role to play in ensuring the access of its communities to the benefits of these instruments. Communities are then able to experience seamless government delivery. The involvement and endorsement of different spheres of government has added considerably to the legitimacy of the JPP.
- Partnerships have to be managed through dedicated, skilled teams. The need to clarify delegations and decision making responsibilities of the core team was highlighted. This would expedite implementation timelines and the flow of resources to the programme.
- Municipal exchanges can add enormous value if tangible delivery models are shared and adapted for implementation. Creativity is required in this process.
- Realistic timeframes should be developed for the programme as it is implemented within a broader bureaucratic context.
- Having dedicated, trained staff to work with work seekers on their career guidance and job readiness skills added huge value to the services offered by the Local Labour Centres.
- An effective IT system must support the operations of the JPP.
- A pledge-based approach to getting employer commitment proved successful in the JPP pilot.

The pilot is still at its initial stages and there is limited information available on the actual benefits accruing to work seekers. However, the fact that almost two thirds of those using the JPP were placed within formal employment is an extremely encouraging indicator.

CASE STUDY 4: TEBA

INTRODUCTION AND CONTEXT

TEBA has been around for more than 105 years. The organisation was set up to recruit labour for the goldmines from across southern and central Africa. Under colonialism and, later, the apartheid government, it had a reputation for appalling labour practices and conditions. In the new democratic era, however, TEBA has reconstituted itself as a private service provider to the mines *and* to mineworkers and aims to be at the forefront of improved recruitment, engagement and aftercare services for the mining industry.

A number of related services grew out of the initial goal of labour procurement. These included deferred pay, cash transmission, social support, including compensation and other industry monetary benefits, and communication services between migrant workers and their families. These services further evolved into community support programmes.

The deferred pay service gave birth to TEBA Savings Fund. The Fund collected compulsory deductions from foreign workers as per the requirements of the law. For South Africans, contributions were voluntary: a portion of the miners' salaries were transferred from their employers' payroll into the Fund for access at more than 100 TEBA Ltd field offices in Southern Africa.

With changes to the laws governing financial entities, the Fund was declared a deposit-taking institution and given five years to change into a bank or cease taking deposits. The Mineworkers Development Agency (MDA), on behalf of the National Union of Mineworkers (NUM), the majority union operating in the mining industry, participated in a working group that was established to look at the transformation of the Fund. It was finally agreed that the Fund should be converted into a fully-fledged micro-bank that would grow the market among those previously denied access to mainstream financial services, such as savings accounts. It was also agreed that NUM would hold 50% of the shares in the Bank and the employers or mines the other 50%. TEBA Bank was established with the awarding of a banking license that was coupled with the change in the trust deed.

Instead of providing basic services only to mineworkers, TEBA Bank expanded its products and services to those beyond the mining industry. New products include fixed deposit and savings accounts, micro-loans, housing loans, funeral insurance and financial management advice. The bank is currently piloting a debit/ATM card.

TEBA Limited (Ltd) and TEBA Bank are entirely separate legal entities with no cross ownership. They are, however, closely linked. There is an agency agreement whereby TEBA Ltd, on behalf of TEBA Bank, provides financial services to mining employees, dependants and beneficiaries in rural areas where miners are traditionally recruited. Deferred pay remains a TEBA Ltd service to mineworkers only in Lesotho and Mozambique.

In 2001, TEBA Ltd re-launched itself as a post-apartheid service agency and made a commitment to apply its facilities and infrastructure to improving the lives of rural people. As part of this rural development initiative, TEBA Development was established as a Section 21 Company NGO to improve the living conditions and livelihoods of communities that have provided labour to the mining industry. As with TEBA Bank, TEBA Development is a separate legal entity. The Managing Director of TEBA Ltd sits on the TEBA Development Board.

TEBA Development has mapped the areas from which the employees of the various mining houses in South Africa originate. The Eastern Cape and Northern KwaZulu-Natal provinces in South Africa, Lesotho, the Gaza Province in Mozambique, and Swaziland have been identified as the highest density areas and targeted as priority areas for development intervention.

It is the infrastructure and scale of operation that are TEBA Ltd's strongest selling points. It provides a decades old conduit between traditional labour source areas and mines that cannot be replicated by the burgeoning labour broking industry. However, this competitive advantage is decreasing as the labour needs of the mining industry shift due to increasing pressure to employ labour from areas local to the mines, the decrease in particular skills classes in labour reserve area, due to age and illness, increasing educational qualifications required by mines for novices and the professional services offered by competitors.

OVERVIEW OF THE ORGAISATION

TEBA Ltd has 68 field offices providing a presence in all the traditional rural labour sending areas of southern Africa. Foreign offices exist in Mozambique, Lesotho, Swaziland and Botswana. Local offices exist across the Eastern Cape, North West, KwaZulu-Natal, Free State, Mpumalanga and Limpopo. It also has four peri-urban mine administrative offices. In addition, TEBA Ltd has a presence on mines with 26 offices on mines. TEBA needs to process around 2,000 workers through its mine office to break even. In most cases, therefore, offices are only opened when there is a critical mass. There are, however, exceptions that run on a different price structure which include a paymaster service. There are also about another 50% of the mines that use TEBA services but do not have dedicated offices.

Each office has between two and 10 staff members. The field and peri-urban offices recruit labour, conduct initial assessments and provide services to families of mineworkers and injured mineworkers. The offices on the mines are the link between mines and mineworkers and are an extension of the mines' human resource divisions. The organisation has a head office in Johannesburg. It is serviced by a managing director, head of mineworker services and field offices, head of mine services and on-mine offices, a chief information officer, business support services division and a financial division. A total of 422 permanent and 115 temporary staff members work for the organisation.

The organisation has records of over 1.6m mineworkers on an electronic database. It services roughly 260,000 mine workers for 53 different mines. Annually, the average attrition rate in the industry is around 10% or 26,000 workers. TEBA places around half of those and the remaining posts are filled by the mines, the unions or labour brokers. In addition, TEBA provides workers to new mining areas and to meet the expansion needs of the industry. It also provides services to foreign workers who are required annually to renew their contracts and industry cards, and to local workers recruited by other providers. In total, about 332,249 workers receive some form of service from TEBA, annually.

Once the premier provider of labour, TEBA Ltd has lost market share because of changing demands in the society. The TEBA office in Mthatha records a decrease in the numbers of recruits. While accurate data were not available, the staff of the office report that they are recruiting approximately one third of what they used to five years ago. Of the eight sub-offices under the Mthatha office, three report zero recruitment in 2007 and the Queenstown office has had no recruitment for over two years. There are many reasons for this. Firstly, the cost of transport means that work seekers only come when word goes out that there is active recruitment taking place. Secondly, there is a depletion of the skills base with fewer and fewer workers equipped to work in the industry. Thirdly, there is a drop in the attractiveness of the industry among younger people. Finally, with preference given to urban recruitment, many work seekers travel to the towns and stay with friends or relatives and seek work from this base. The proliferation of cell phones has increased this last trend as family members send word that mine 'x' is looking for workers; consequently, people either go to the TEBA office, or if they can, travel to the nearest township and register as an interested work seeker.

TEBA Ltd provides a combination of three primary services: employment, social and financial services to its clients and beneficiaries.

WORK SEEKERS AND USERS

Work seekers

TEBA recruits unemployed work seekers to work on the mines. Historically most of these workers have been recruited from rural communities in Southern Africa with a history of servicing the mines. This is a complex area with particular mines and mining groups having special relationships with labour source areas. Also, types of skilled personnel come from particular areas. It was reported in the interviews on a number of occasions that, for example, Rock Drill Operators come from Lesotho, Team Leaders from Mozambique and sanitation workers from Mount Frere.

More recently, the Mining Charter demands that mines benefit local communities, thereby forcing an emphasis on urban recruitment. There has also been a focus on recruiting women into the sector. Currently, about 45% of workers placed are from outside South Africa and

55% are local. Of the locals about 60-70% are rural migrants and the balance are from urban areas (or local settlements adjacent to mines).

Of concern to the industry is the amount of identity fraud that takes place in the recruitment process, with certificates for sale and/or loaned to other family members and identity books falsified to ensure re-recruitment. A number of initiatives have been put in place to overcome this, including increasingly rigorous testing, biometrics and pre-selection interviews.

AngloGold Ashanti Vaal River Mine in North West Province reported that the average age of its categories three to eight mineworker in 2007 was 40- 45 years of age. This is indicative of the industry. The average age of specific skills groups, such as Rock Drill Operators, is even higher, at around 48 years. The Vaal River mine, consequently, went on a youth recruitment drive with TEBA's assistance. These youth would be trained on the mines and the top candidates offered a place in the permanent workforce.

The major blockages for work seekers are strength, physical fitness (including blood pressure, sight, and fitness levels) and language. In order to work on a mine, you need a physical rating of one or two. Eighty percent of female applicants only get a rating of three, due to their lack of physical fitness. About 50% of men who apply also get a rating of three. While still entered on the database, these work seekers are more difficult to place.

Historically, language skills have not been a requirement for work on the mines. However, more recently, all mines insist on English language skills and have set a grade seven education level as a minimum to ensure this. Where the language skills do not exist but the technical skills do, workers are placed on ABET programmes to upgrade their skills.

On average a worker earns R3,500 per month. Foreign workers are provided with 12 month contracts after which they need to return home before renewing the contract.

Once the sole provider in the industry, today, TEBA has a number of competitors, largely in the form of labour brokers and alternative, in-house providers, such as the unions. Of the total number of work opportunities available TEBA focuses on the full time posts and places about 44% of the total workers placed each year.

With 5-20% of workers absent on any day, the need for temporary workers is huge. This is one of the biggest challenges facing the industry that in part is met by labour brokers. Labour brokers also provide teams to meet short term or temporary needs on the mines. In addition, they are used to place local labour for short periods as a trial run. The best of these workers are then generally offered full time employment.

It was noted from the interviews of the TEBA on Mines (ToM) and Field offices, that labour brokers and contractors sometimes use TEBA and the LPS to recruit their temporary foreign workers. According to TEBA staff, many work seekers are reluctant to work for brokers and contractors due to the temporary nature of the work and the lack of benefits. Consequently, they are constantly on the lookout for better posts and frequently job-hop.

TEBA also proactively offers workers to the mines in response to an analysis of the needs identified in their social and labour plans, for example, recruiting women workers.

One of the challenges in the industry is the cost of training mine workers and the lack of commitment by individual mines to train workers over and above their immediate needs. Therefore, TEBA Ltd has initiated a "Labour Pool Management" programme at the Bekkersdal mine with the Mining Qualifications Authority (MQA). The programme will consist of TEBA recruiting novices in the three to eight categories, the mine, in conjunction with the MQA, training the selected recruits and then TEBA temporarily placing them. The

aim is to ensure that the best of the temporary recruits replace permanent employees through a process of natural attrition.

Users

TEBA has 26 mines that outsource the full recruitment, employment and post employment service to them via dedicated TOM offices and a further 27 mines that use their services, but not via dedicated TOM offices. The organisation is fully funded by the mining industry and its satellite services through a fee-based structure. Mines can either pay a monthly fee called the TOM fee for each employee on its payroll serviced or it can pay a fee per service. Collectively, these fees account for 60% of the income. The additional 40% is made up from agency fees paid for services rendered to TEBA Bank and Rand Mutual Assurance and other outsourced services.

The basic recruitment price is R140-R170 per local recruit, with a negotiable volume discount. The price varies depending on the experience of the recruit and their location. The cost of recruiting foreign workers is between R287 and R476, again with a negotiable volume discount.

The price of the other services range on a case by case basis with for example the support for terminally ill workers priced R5,329 – R6,662 and reporting of deaths and offering support to the families priced R2,500-R3,400. A full table of prices is attached as an annexure.

SERVICES

Database of work seekers (LPS)

TEBA Ltd recruits foreign and South African mineworkers in accordance with job specifications. Interested work seekers register at one of the numerous TEBA offices. Their details are captured using a recruitment form (included as an annexure to this report). Once completed, the form is captured on the Labour Placement System (or LPS), an industry-wide computerised database that captures the work seekers geographic location, skills and experience. The LPS generates a CV.

In most offices, workers are also physically assessed using the physical rating index (PRI) at the point of registration and added onto the database. In other cases, this only happens when their profile fits a request from an employer. In future, it is hoped that every work seeker will undergo a physical assessment upon registering as a work seeker. The PRI test reduces the rejection rate of work seekers recommended for placement, improves safety and reduces medical costs.

Annually, on the anniversary of each registration, every work seeker is required to re-register on the database, thereby ensuring it is current. There were about 23,000 active work seekers on the database as at December 2007. Those not renewing their participation are archived.

Recruitment

Prospective employers, who stipulate criteria for the selection of future employees, initiate the procurement process. TEBA Ltd locates work seekers fitting the stipulated profile. This is undertaken by doing a search on the LPS and drawing a report of possible workers who fit the profile. These are grouped by office. Employers may then, if desired, travel to a TEBA office and make the final selection after an interview. Alternatively they may request TEBA to prepare an offer of engagement that the work seeker will sign.

TEBA traditionally is used for pre-selection by the mines to provide a pool of prospective employees that meet fitness, geographical, demographical and skills criteria for jobs in categories three to eight. This makes up the bulk of the work force. For example, Gold Fields'

Driefontein mine in Carletonville reports that they have a labour force of approximately 20,000 employees of which 13,500 are in the categories three to eight.

TEBA is beginning to refine their pre-selection services to the mines. The mining houses interviewed stated their support for the new screening mechanisms as it ensures that the pool of recruits fits their profile as closely as possible. Additional screening mechanisms include biometric verification and legal documentation verification. This is a screening service that alerts employers to foreigners masquerading as South African citizens, links qualification documentation to its rightful owner, and places the work seeker on the centralised industry personnel database for use when the person's address is critical (e.g. to contact next-of-kin or family members).

Recognising that the Dover Test is too expensive to use in screening, the TEBA staff stated that they would look to developing standardised technical tests to improve the screening. As part of this commitment, TEBA has employed a long-standing mine captain to perform preliminary interviews on technical aspects of the job to assess whether a prospective employee really does hold the qualifications s/he says s/he does.

Mine representatives were very clear that while they needed clear and effective screening mechanisms; it was only in rare circumstances that the actual interviewing and selection would be performed by anyone other than themselves.

Working closely with the Department of Home Affairs, TEBA also manages the immigration process for foreign mineworkers in accordance with the *Immigration Act*. It submits all prescribed reports and coordinates corporate work permits on behalf of the mines. The mines interviewed regarded this service as one of the most valuable TEBA has to offer. TEBA has, in a sense, cornered the market on this service with labour brokers reluctant to go into this arena.

The revised *Immigration Act* forbids the recruitment of novices from foreign countries. In addition, the social and labour plans give attention to the need for local recruitment. This has resulted in greater emphasis on recruiting employees from settlements in urban areas. TEBA is using the Labour Placement Service (LPS) to assist this process. The aim is to increase the number of work seekers from these areas. The Labour Pool Management pilot programme is part of this process and TEBA has recently designed a pilot with the Mine Qualifications Authority to register work seekers from urban settlements and expose them to the mining sector and possible work options.

Another example is the agreement with the Royal Bafokeng Nation and Chiefs in the East Limpopo. The Impala and Amplats mines in North West Province are located on Bafokeng land and it was agreed that 40% of the workforce would be sourced from the local area. The local peri-urban office is in process of building a database of local men and women. The challenge in this project is to ensure that all the recruits are indeed local, and various mechanisms, such as amaKhosi approval and rates bills, are in place to ensure this.

The mine and TEBA staff interviewed expressed a need to further synchronise the human resource functions of the individual mines and those of TEBA to maximise the opportunities for collaboration.

Employment services

Once a worker is employed, TEBA provides a range of on-site services to the mines and workers. Annually, around 260,000 mineworkers are engaged.

Firstly, TEBA updates and stores the mineworkers' personal information, including a record of service, and any changes in status, for every mineworker processed. Its database

comprises over 1.6m electronic records captured since 1983. The prior manual system has 12m records dating back to the 1930s.

Secondly, screening is also provided as a stand-alone service to TEBA clients who make use of contractor labour for projects of short duration. Once screened, each worker is issued with an industry card that is linked to a unique industry-wide number. This service reduces the security risks for the mine.

Thirdly, foreign workers from Mozambique and Lesotho are required to defer a portion of their pay, in terms of the bilateral labour agreements with their governments. This involves setting a portion of the pay aside as savings that become available in their home country on conclusion of the contract. TEBA processes deferred pay for some 90,000 workers. The compulsory deferred pay, managed via TEBA, amounts to approximately R700m annually, transferred in 300,000 transactions per annum.

The relationship with TEBA Bank enables TEBA to make one million payments amounting to R1.3bn to mineworkers and their dependants on behalf of TEBA Bank. The close relationship with TEBA Bank enables TEBA to provide savings and withdrawal products throughout the TEBA footprint.

From 1 June 2008, TEBA Ltd will launch its own cash remittance product whereby employees can deposit a portion of their pay. They then take proof of this deposit to the TOM office, after which they are issued with a pin code that they can give to their families, who can draw the funds at a TEBA field office using the pin. An approximate fee of R35 will be charged for each deposit. A maximum of R5,000 can be drawn in a day and R25,000 in a month using this system.

Fourthly, TEBA provides communication between the mineworker and their families, and between the mine and the workers' families through its extensive field office network. Although increasing use of cell phones has had an impact on the use of this facility, it is still very useful as a channel. The TEBA field office in Mthatha reported that mineworkers' families use this facility to fax materials and contact their family members at the mine in case of an emergency. Mines use TEBA to check the validity of the emergency with the family before releasing the affected employee. Mines also use the facility to trace mineworkers' families in the case of emergencies.

Finally, TEBA provides a full paymaster service that has been taken up by three mines.

Mining staff interviewed flagged training of mineworkers prior to being placed at the mine as another service they would like TEBA to provide. Training in first aid, basic health and safety and, in particular, personal financial management was mooted. The financial management training was flagged as the increasing indebtedness of mineworkers to loan sharks along with the practice of hire-purchase impacted on productivity and increased the administrative burden in servicing garnishee orders.

Post-employment services

TEBA also provides post-employment services, mainly following the death of a mineworker and which includes liaison with the next-of-kin, processing of funeral advances and provident fund documentation collation. The importance of this service cannot be overestimated as injury and deaths on duty have become a critical issue for the mines. TEBA services greatly facilitate the mines' responses to both the mineworker's family and the broader community.

During a death report (where TEBA Ltd reports the death of a mineworker to the next-of-kin), the family members are counselled and receive an immediate funeral cost advance payment. Claim documentation for various benefits is collected and submitted to a number

of organisations. These organisations include the Rand Mutual Assurance Company Limited, the Mineworkers' Provident Fund and other provident funds pertaining to specific groups. This process assists greatly the needs of illiterate claimants.

TEBA Ltd has introduced a funeral benefit scheme known as the "Mzilikazi Scheme", which was specially developed for the employees of contractors who do not provide funeral cover to their workers. The primary characteristic of this scheme is affordability for low-income wage earners, widows of mineworkers and pensioners. The premiums include a compulsory savings portion which is refundable should the member be unable to continue with paying the premiums. TEBA was one of the first, if not the first, to offer this payback option based on feedback from mineworkers. The offer is becoming increasingly an industry standard since the arrival of OUTsurance.

Injured ex-mineworkers that have been rehabilitated and those mineworkers with terminal illnesses are repatriated under supervision to their homes by patient transport. TEBA has a fleet of vehicles and trained drivers, and equipped patient transport vehicles for serious cases, which transport patients to their home. This service is also used for the transportation of patients with spinal cord injuries to their homes after rehabilitation, as well as from home to medical facilities, where required, for treatment. The vehicles are also used to deliver prostheses, wheelchairs and other medical equipment to the patients' homes or from their homes to Johannesburg for repairs/replacements.

The final post-employment service involves TEBA tracing ex-mineworkers and their families for industry-related awards and claims. The Mthatha field office has, for example, traced over a 1,000 mineworkers for share offers by AngloGold Ashanti and is currently tracing 600 people for payouts from the 1970 Mineworkers' Provident Fund.

TEBA facilitates pension payouts (of 11,000 per month) and various other types of payments. It also administers the industry's long-service awards.

A related post-employment service is the home-based care service. Currently undertaken in part for TEBA Development, there are plans to internalise the service in TEBA Ltd. The details of the service are contained under agency services in this report so as to avoid repetition. Both the TEBA field and regional Offices interviewed noted that there needed to be better communication between the mines and the TEBA office when affected persons are sent home.

Agency services

About 60% of TEBA's income is derived from its recruitment, employment and post-employment services. The balance of its income is derived from agency services provided for TEBA Bank, TEBA Development Services and Rand Mutual Assurance (RMA).

For TEBA Bank, TEBA Ltd offers facilities to save and withdraw funds linked to their offices where no bank outlet is available. On average, the rural offices of TEBA Limited process 65,000 transactions of account holders per month. Payments/transactions are in respect of the following products:

- Industry generated funds;
- Various trust funds, for example: the Mineworkers' Provident Fund;
- Rand Mutual Assurance (RMA) pensions;
- Mineworker and alternative account transactions;
- De Beers;

- Grow With Us transactions; and
- Paymaster transactions

TEBA Development discharges some of the mines' corporate social responsibility programmes. Its focus has been on home based care for the medically incapacitated mineworkers, rehabilitation of community boreholes and latrines, agricultural projects that address food security, economic upliftment, education based projects and assisting mines in drafting their social and labour plans. TEBA Ltd provides on-the-ground advice with respect to community needs and opportunities for development programmes, and assistance with home based care for TEBA Development. The latter service is soon to be internalised in TEBA Ltd.

As part of its home based care services, TEBA Ltd visits disabled (e.g. spinal injuries) ex-mineworkers at their homes to ensure their well-being and to report on cases where corrective action is required. Medical and equipment supplies are also delivered when required. Those requiring medical treatment are transported to hospitals or clinics after TEBA has made an application on their behalf.

The home based care management database system, originally known as the Spinal Cord Injury system, provides TEBA with important details pertaining to patients, such as their medical records and requirements. These records assist TEBA in monitoring patients and providing them with adequate care. The system notifies TEBA representatives in the rural communities when scheduled visits to patients are due. The TEBA representatives then check on the patient and update the information on the system. The system maintains a history of all visits, as well as the results of these visits and the medical requirements of the patients. It also allows TEBA and its representatives to check the status of an order for medication. All information is accessible from TEBA's centralised database for management information.

Finally for RMA, TEBA collates roughly 25,000 certificates of life confirming the existence of various beneficiaries via its fingerprint database. It also makes payments monthly in areas where there is no access to other financial services for these beneficiaries.

OVERVIEW OF TEBA SYSTEMS

Labour Placement System

The Labour Placement System (or LPS) is a service linking the supply and demand of skills required in and by the mining industry. Many unemployed work seekers come to one of the TEBA offices to register. They are required to complete an application form (contained as an annexure). In some offices, they are then physically assessed. In others, this only takes place once they are short listed. The plan is to equip every office, over the next year, to perform the test on registration, and place the information on the database.

The TEBA office undertakes a preliminary rating process, and identification and qualification documentation is scrutinised and placed on file.

When an employer is looking to hire specific skills, the LPS system provides a fair and transparent list of available skills that could be placed on the short list.

When a person is placed on the short list for an interview with a prospective employer, TEBA will prepare an appropriate Curriculum Vita, attach previous work history and qualification documentation, and forward all documentation to the employer for final selection.

The system is decentralised with each office equipped with the tools to both enter and search on the database.

A weakness in the system that TEBA hopes to address in the near future is the absence of a link between the LPS and the TEBA Personnel System (TPS) which keeps the employment record of each worker.

TEBA Personal Service (TPS)

All work seekers' demographic and geographic details are captured and maintained on a centralised database. A comprehensive work history is built up and maintained over time. Each person is allocated a unique industry number, which is based on fingerprint classification (literally, all workers have had their fingerprints enrolled on its Biometrics Database), and remains with the individual throughout the duration of his/her employment. This history is valuable in the verification of the duration of employment in the event of application for a long service award. Employers are also provided with statistical and other reports derived from the employee database (currently numbering 1.3m).

At any point, TEBA can draw a report on an employee using his/her name, Identity Document (ID) number or unique industry number, which provides a full history of each of their employment periods on the mine. A weakness in the reporting system is that it does not currently indicate the occupational category filled in each employment. TEBA hopes to correct this in time via its partnership with the MQA and the Department of Mineral and Energy. On behalf of TEBA Ltd's clients, record keeping extends to the acquisition and retention of Employee Authority Certificates for compliance with the *Immigration Act of South Africa* in the case of foreign workers. In conjunction with the above, a service is provided that maintains records of all contractor companies providing tender services to TEBA's shareholder clients.

TEBA maintains records of every employee (including senior employees) for purposes of updating sentinel records (Mining Industry Retirement Fund).

FUTURE PLANS

Internally in the mines, TEBA has been approached by the unions to take on some of the functions currently performed by labour brokers, in particular, the offer of short term contract employees. The advantage of TEBA is its benefit structure and aftercare capacity.

Externally to the sector, TEBA has been approached by the agricultural sector and the Department of Labour to consider expanding its services to other sectors. Within the agricultural sector, the shortage of workers has resulted in many farmers re-opening their hostels and recruiting labour directly from the Eastern Cape.

TEBA's infrastructure could be invaluable in servicing this need. In the case of other sectors, it is estimated that South Africa has as many foreign nationals in domestic employment as it does mineworkers. Again TEBA's infrastructure and experience in dealing with immigrants could be invaluable for the industry.

ASSESSMENT

TEBA has scale. It has electronic records of over 1.3m people and manages services for 339,000 employees each year. Table 4 provides an overview of the placements, by year, by TEBA, alongside the non-TEBA placements managed by TEBA on behalf of the mines.

Table 4: TEBA's placements (2005-2007)

		2005		2006		2007	
		Local	Foreign	Local	Foreign	Local	Foreign
TEBA	Novice	9,973	125	10,735	3,415	13,793	933
	Experienced	10,961	10,647	13,868	15,324	13,965	18,497
	Sub-total	20,934	10,772	24,603	18,739	27,758	19,430
Broker	Novice	13,823	47	26,100	18	32,676	11
	Experienced	17,739	456	31,051	392	35,372	40
	Sub-total	31,562	503	57,151	410	68,048	51
Total		63,771		100,903		115,277	
TEBA % of total		49.7		43		40.9	

TEBA Ltd's strength lies in its strong relationship with the industry. It offers an outsourced service to the mines in respect of employment recruitment and management. It is self funded and has a depth of industry knowledge that is rare in a placement agency.

TEBA provides a buffer between the mines and work seekers. Without these, the mines would be inundated with work seekers. It also provides a screening service for work seekers resulting in better and more timeous placements. Its large network means that often it is able to source scarce skills and, consequently, reduce the vacancy rate.

Its field office network and presence has enabled it to develop expertise on migrant worker support service. It has also enabled the organisation to offer an excellent service to immigrant work seekers and to the mines employing these workers.

The price of the full placement, employment and aftercare service per work is around R307. The actual price structure per service varies. When priced on a line item basis, it costs a lot more. A full table of prices is provided as an annexure to this report, along with indicative discounts that could be provided if volumes were sufficient. This suggests value in coordinating services across sectors.

The key weaknesses in the service are the absence of links with training providers and the failure of TEBA to use its knowledge resources to provide data on trends in the industry and feed this into the relevant bodies. Another weakness is the historic poor screening of work seekers prior to entering them onto the database and the failure to link those who do not pass the assessment with other opportunities.

Finally, TEBA has not kept up sufficiently well with the changing recruitment needs in the industry, which has resulted in a loss of market share to labour brokers who provide short term workers and opportunities to try out local recruits.

Mines are shifting their employment practices from an emphasis on foreign labour to a focus on using labour from local and urban communities in South Africa. The labour reserve is moving away from far flung rural areas in Southern Africa to unemployed youth and women in urban townships. The new *Immigration Act* further emphasises this by prohibiting the recruitment of novices outside of South African borders. The shift away from 'funagalo' to English as the lingua franca on the mines has meant that novices need to have a minimum of a grade seven qualification to apply, with most having a grade 10. Also, the days are over

when a mineworker is trained in a skill and then performs that task for 30 years. As the human resource office at Vaal River mine stated: “A person with a grade 10 has higher aspirations so the mines now have to deal with higher aspirations and higher turnover if we don’t meet those aspirations.” Mines’ training and development plans need to map career-pathing and increasing skills development for their employees.

LESSONS

The key lessons from TEBA are:

- Employment needs are continually changing, requiring the service to adapt to the changing demands or face a reduction in market share.
- Any growth strategy for the agency needs to be matched with industry demands. The biggest demands expressed were in value adding services linked to the recruitment process in order to deliver a more complete service. This would need to include, for example, technical interviews, improving the PRI and maybe adding Dover Testing and developing a numeracy, literacy and cognitive ability standard test that mitigates against the widely differing grade seven certificates that exist.
- Employment intermediation agencies gather insight into the industry’s employment trends and needs, which offers invaluable industry intelligence.
- There is a need to verify qualifications earlier in the process and focus the database.
- The recognition that training is a key activity and forging links with training providers would help to build the pool of available labour. The placement service also generates industry intelligence and, in the absence of structured link to training, this is lost. The average age of a rock driller, for example, is 48 years. Soon, the industry will be facing a skills crisis. This type of information needs to be captured and fed back into the industry.
- Expand the MQA and Bekkersdal pilot because it increases skills but is targeted towards youth and offers increasing awareness of, and interest in, the industry.
- Orientation and induction safety briefings help to reduce drop out rates and improve the productivity of workers from day one. Therefore, it is a logical addition to the placement service.
- Recruitment success is a result of the combination of an understanding by work seekers, and their communities, of the industry and the active marketing of the jobs and trades offered by the industry. In the case of local urban recruitment, some communities do not have a history of working on the mines and new school leavers are not attracted to manual type jobs. This has resulted in poor levels of the urban unemployed expressing an interest in mining jobs.
- The need to develop good working relations with all relevant government departments is important. TEBA has developed a good relationship with the Department of Home Affairs but has not adequately given attention to the Department of Labour or the Department of Mineral and Energy, with the exception of its engagements with the MQA.

CASE STUDY 5: LABOUR BROKERS

INTRODUCTION

Labour brokering in South Africa is a growing service to the manufacturing, retail, mining, construction and agricultural sectors. There are differences between the services that different brokers offer, the degree to which labour's rights are met, and whether or not there is compliance with labour legalisation. As many of the quotes below will illustrate, a range of forms of evasion of regulation and abuse of workers' rights does take place. Yet, despite these problems, not all labour brokers can be tarnished with the same brush; there is also a core sector that is compliant and which provides a legitimate service. A large number of employers rely on labour brokers and an even larger number of workers use their services. Debates around the reasons for the growth in this service, its nature, its desirability and what, if anything, should be done about it, are vigorous and heated. Regardless of perspective, it is clear that any study looking at employment services aimed at unskilled and semi-skilled workers cannot ignore the existence of labour brokers.

The purpose of this particular case study was to determine whether or not labour brokers fall within the category of labour intermediation, as defined in the rest of this study. Leading from that, the secondary purpose was to identify any possible interventions that could strengthen the intermediation service provided by labour brokers.

The challenge facing the team was the scope of the service. Obviously it was neither possible nor appropriate to conduct a comprehensive survey. What we chose to do was to conduct a few interviews within the different sectors in an effort to identify some of the common trends and issues, and to frame any further work. All of the interviews in the agricultural sector were conducted in the Western Cape with people involved primarily in the fruit and wine industry. It must be stated quite firmly that our observations can neither be generalised across the respective sectors nor across the different provinces. Also, as the purpose of this case study was limited to determining if labour brokers fell into the study, we have not attempted to record or solicit the views of other stakeholders nor to engage in the debates around the desirability of the sector and its continued growth.

Nevertheless we hope this piece will assist in clarifying any further investigation or intervention.

A WORKING DEFINITION OF LABOR BROKERING

Technically, a labour broker is a business entity (e.g. a close corporation, a company, an individual trading or a partnership) that provides another business with workers who will perform work for that business. It involves a triangular set of interdependent relationships. These are:

- The relationship between the ultimate employer and the broker;
- The relationship between the ultimate employer and the labourer; and
- The relationship between the broker and the labourer.

In each business transaction, these relationships may differ, as is explored below. We have included in our definition any triangular set of relationships which results in the employment of largely unskilled workers and in which the relevant parties would describe the transaction as involving a labour broker.

This triangular set of relationships and roles is determined by who constitutes the legal employer in any given situation. There are three broad options.

The first is where the ultimate employer employs the labour directly. In this situation, the ultimate employer is responsible for all the legal requirements and pays the labourers directly. The labour broker's role is limited to finding the work, recruiting labour and providing transport. For this service, the employer pays the broker a fee, the amount of which may differ from job to job, sector to sector and may be seasonally influenced.

The second option is where the ultimate employer pays the labourer a wage but does not accept any legal responsibilities as an employer. In this construction of the relationship, the worker is seen as an independent contractor who takes personal responsibility for issues such as tax, UIF and worker's compensation. The role of the labour broker in this situation is one of finding the work, recruiting labour and providing transport. For this service, the labourer pays the broker a fee.

The third option is where the labour broker is the legal employer of the labour. In this case, the broker will agree a contract in terms of work and price with an employer. The broker's role may then be one of finding the work recruiting labour, providing transport, and administering the wages.

In each of these three options there are variations, and it is also clear that many transactions make the most of the loose definitions and constraints to maximise self-interest.

General labour brokers supply organisations with workers who are not very skilled, are vulnerable in the labour market, and are often simply 'picked up' from the side of the road. The only difference between general labour brokers and specialised labour brokers is the level of skill of the workers supplied.

It is useful to distinguish between labour brokers and recruitment consultants. The key difference is that while labour brokers remain the employer, recruitment consultants do not. In addition, a labour broker may place the same person in several positions from time to time, while a recruitment consultant is usually paid a once-off fee by a firm in order to seek out possible candidates to be employed by that firm directly.

BACKGROUND

The temporary employment sector has grown exponentially, both globally and in South Africa. Much has been written about the process of casualisation, none of which will be repeated in this case study, save to say that there are many reasons for this phenomenon. There are also South African specific reasons for the growth in the temporary employment sector, namely, the changing nature of the global economy, increased competition and the need for increased productivity combined with our labour legislation and increasing reluctance on the part of employers to take full responsibility for workers. The introduction of ESTA, which has increased the costs and possibilities of eviction, has resulted in an added reluctance in the agricultural sector for farmers to allow workers to live on the farms and, consequently, to employ permanent workers.

It is this context that has provided work for labour brokers, resulting in the exponential growth in the sector.

In 2004 and 2005, two key pieces of research developed a clearer understanding of the labour market dynamics underpinning the growth of the labour broker business. These were the Department of Labour's 'The Changing Nature of Work and 'Atypical' Forms of Employment in South Africa: prevalence/magnitude of casualisation and externalisation in South Africa', and a study by Theron et al entitled 'The Rise of Labour Broking and its Policy Implications'.

The Department of Labour research showed the growth of the temporary employment sector (TES) and increasing casualisation within the construction, mining, agricultural, retail sectors, in particular. Critically, the report also asserts that atypical employment enhances vulnerability of workers and cites case studies that indicate non-compliance by the TES in terms of sectoral determinations and statutory obligations along with extremely limited work place skills development.

Table 5: Temporary and casual component of the labour force

Sector / industry	Total employment	Casual and temporary workers (%)	Sectoral share of total casual and temporary workers (%)
Total	1. 9,511,999	2. 23	3. 100
Agriculture	4. 872,403	5. 30	6. 11.75
Mining	7. 501,477	8. 6	9. 1.38
Manufacture	10. 1,434,166	11. 17	12. 11.02
Electricity, gas and water	13. 85,043	14. 13	15. 0.48
Construction	16. 456,160	17. 56	18. 11.68
Wholesale and retail	19. 1,459,595	20. 26	21. 17.22
Transport	22. 478,811	23. 24	24. 5.13
Finance, insurance, real estate and business services	25. 922,154	26. 15	27. 6.16
Community, social and personal services	28. 2,089,832	29. 11	30. 10.25

Source: Department of Labour's Labour Force Survey (2003)

The Theron et al study showed that the number of labour brokers in South Africa has grown exponentially, and the researchers identified about 3,000 labour broking firms, employing nearly 400,000 people in 2005. This amounts to about 6% of the labour force, a lot less than the 23% in casual employment. Regardless, the actual figures are probably far higher as informal operators outnumber formal operators by three to one.

Theron's research shows that as hiring and firing workers has become more time consuming and demanding, companies have chosen to outsource their labour. Theron et al also state that it seems incontestable that companies use TES, in part, to avoid labour legislation. Industries, ranging from mining to banking, use labour brokers and temporary labour. The size of labour brokers' organisations also ranges from large companies, such as Adcorp and Logical Options that place thousands of workers in temporary jobs at any time, to one-person "bakkie brigade" operators who hire workers off the road.

In an attempt to show that the TES sector does contribute to employment creation, SME development and growth, skills development, and learnerships CAPES, the Confederation of Associations in the Private Employment Services (CAPES), has commissioned some research into the industry. The as-yet incomplete research (2006/07) into the industry revealed the following information:

- There are around 3,500 private employment agencies in South Africa;
- They place around 800,000 daily average temporary staff on any day;
- The TES sector is estimated to be worth about R18bn per annum;
- On average, 15% of temporary assignees convert to permanent staff;
- 83% of assignees comprise African persons and many of these are youth and female;
- 38% are placements occur into elementary occupations and a further 25% into semi-skilled positions;
- 50% of the placements are in the services sector, for example, at call centres;
- The average growth rate for the sector is 14%. But growth for 2004-2005 period was only at 8%, therefore, the growth rate is not exponential;
- The work force estimate is 808,616 (or 9% of EAP).

Table 6: The demographic profile of TES categories

Occ. Category	Blk	% Blk	W	% W	F	% F	Dis	% Dis	Total
Legislators, Senior Officials And Managers	1743	0.43%	3912	0.96%	2401	0.59%	46	0.01%	5655
Professionals	12234	2.99%	5957	1.46%	14675	3.59%	10	0.00%	18191
Technicians And Associate Professionals	16317	3.99%	13989	3.42%	13232	3.24%	25	0.01%	30306
Clerks	29702	7.27%	16389	4.01%	32284	7.90%	120	0.03%	46091
Service Workers And Shop And Market Sales Workers	26149	6.40%	6998	1.71%	16421	4.02%	27	0.01%	33147
Skilled Agricultural And Fishery Workers	4015	0.98%	315	0.08%	1680	0.41%	0	0.00%	4330
Craft And Related Trades Workers	31273	7.65%	7523	1.84%	2870	0.70%	8	0.00%	38796
Plant And Machine Operators And Assemblers	45499	11.13%	4348	1.06%	5349	1.31%	24	0.01%	49847
Elementary Occupations	155428	38.04%	7262	1.78%	26483	6.48%	594	0.15%	162690
Occupation Unspecified NEC	19233	4.71%	330	0.08%	3293	0.81%	0	0.00%	19563
Total	341593	83.60%	67023	16.40%	118688	29.05%	854	0.21%	408616

Source: www.capes.org.za/research

In South Africa, the private employment agencies in the industry are currently regulated by the *Skills Development Act of 1998*, which replaced the *Guidance and Placement Act of 1981*. The SDA defines these private employment agencies as “any person wishing to provide employment services for gain”, and imposes only a few requirements on them in respect of the applicable regulations. These agencies have to register with the Department of Labour. Many labour brokers fall outside this definition, as they provide labour not employment services. There are plans to amend the *Skills Development Act* to broaden the definition so that it includes brokerage services. In the interim, labour brokers are governed by the *Labour Relations Act*.

OVERVIEW OF SERVICES AND SYSTEMS

In this section, an overview of the services, as compiled from the limited interviews conducted and background reading, is provided for the mining, agricultural and construction sectors.

Labour brokerage in the mining sector

The mines use labour brokers extensively to recruit local labour, particularly for specific positions, and to fill short term temporary work needs. According to TEBA Ltd's figures, the total number of workers recruited via brokers is over 50% of the labour force recruited in any year.

The scale and services offered by labour brokers vary considerably. There are a number of small operators who provide temporary labour and there are large established firms, such as Anton Barnard Labour Services.

The small operators tend to work with one mine, have a limited work force which they draw on and, in general, offer very few after care services. In the main, they do, however, contribute to unemployment insurance and the Compensation Fund. The unions have expressed concerns about the treatment of workers by many of the small operators both in terms of payment and aftercare services.

The services offered by the larger players are a lot more comprehensive, as the overview of Anton Barnard Labour Services (or ABLS) below demonstrates.

ABLS is a labour broking business based in the Northern provinces that serves the mining and construction sectors. ABLS was initially established in 1999 as a labour law consultancy for SMME's but in 2001, the owner-manager saw a gap in the market for professional labour broking services that, in the words of Anton Barnard, "treated people as employees", instead of the usual "bakkie brigade that was giving the industry a bad name due to their lack of regard for labour law and disrespect for workers". The business has grown to a staff capacity of 1000 with a number of regional offices. The main recruitment arm is based in Rustenberg and operates as a separate business unit. The business belongs to the Metal and Engineering, Road Freight and Mining and Electrical Bargaining Councils and is fully accredited by SARS and the Department of Labour. They are currently working with the Services SETA in developing a curriculum for a labour recruitment learnership.

Anton Barnard's previous experience, as a labour law specialist in the mining industry, has meant that the business has a large mining client base. ABLS supplies not only the mines, but also to the mining sub-contractors. This is demonstrated by his use of Rand Mutual Assurance, instead of Worker's Compensation, for the workers. The business seems to be well situated to take up the changing labour demands of mines from traditional labour reserves to local urban recruitment of people with a minimum of a grade eight certificate. ABLS finds it more efficient to recruit the unskilled and semi skilled work seekers locally, but states that the artisanal levels are recruited from far a field due to scarcity.

The business is establishing itself in the construction sector, too. ABLS remains the employer to the workers placed and currently has over 20,000 work seekers on its database. At the time of the interview, ABLS was servicing 3,000 temporary employees placed with their clients.

ABLS placed workers in the D1 and D2 Patterson grades, namely unskilled and semi skilled individuals. Recruitment takes place through their database and through radio and

community newspapers when a bulk order is placed. ABLs also used the local TEBA offices to recruit labour.

The services ABLs offers are extensive. Of interest is that with the mining clients, ABLs are performing the entire HR function for all of the temporary workers recruited by them. This ranges from induction to leave management, discipline and payroll. The business also takes all potential recruits through Kroll to verify identity documents and qualifications.

There is, along with other professional labour broking services, such as Contracta–Force, a serious emphasis on discipline in the work place with a range of mechanisms to ensure compliance, ranging from lie detectors to breathalyzers. The firm claims that they have a positive relationship with the relevant unions and that the unions are part of the wage aspect of the negotiations to renew contracts with major clients. It was also stated that only 11% of dismissals land up with the CCMA.

Training is not offered by the business, although it was flagged on a number of occasions that this was the biggest barrier to the growth of the business and that it encouraged its clients to engage in training programmes. In fact, when asked what the greatest threat is to the business, the skills shortage was posited followed by the “government’s drive to do away with atypical employment”.

Labour brokerage in the agricultural sector

The demand for labour in the Western Cape’s agricultural sector is huge but, over the past three seasons, there has been an increasing shortage of supply. A variety of reasons are given by the farmers and brokers for the increasing shortage in labour supply to agriculture. The number of people wanting to work in agriculture is declining. A number of interviewees pointed to the bad reputation that agriculture has. Not only is the work physically demanding and the hours long but, more recently, there have been new opportunities in construction where the basic minimum wage is considerably higher than in agriculture. In addition, those who have a higher education do not want to work for agricultural wage levels. A number of people cited social grants as a factor in the shortage of labour, especially among women. Across the board, farmers have noticed that while they have a much larger number of temporary staff registered on their books, a lower percentage than in previous years will arrive for work on any given day. As one broker explained: “I have 17 women this week on the pay roll and never on one day are there more than 12 [on the job]. Not sure how it is organised amongst themselves. Not sure why or what. There is no saving mentality. Winter will just be sparse.”

The main reason cited by both brokers and farmer for the increasing use of off-farm labour is the Extension of Security of Tenure Act (ESTA). ESTA was intended to give farm workers, who live on farms and have no other housing, protection against eviction. In essence, it created a separation between employment and accommodation. The result has been that farmers have pared down to a minimum the number of permanent on-farm workers. It was reported that for many farm workers, the upside of working in agriculture was the benefit of living and working in relatively peaceful surroundings where children were protected from city vices. In many cases, the farmers subsidised the accommodation, water and / or electricity. However, once those additional benefits were lost, and workers lived away from the farm, other opportunities arise and agricultural work becomes less desirable.

Within this context, the labour brokers have flourished. Some farmers in the Western Cape who were interviewed in this case study and many of the labour brokers source labour from the Eastern Cape, including the former Ciskei and Transkei; some go to specific villages in the

Karoo; and others go as far as Kuruman in the Northern Cape to find seasonal workers. Increasingly, there is also use of illegal and legal immigrants from Lesotho and Zimbabweans.

The model in the Western Cape that most of the labour brokers we interviewed use, is one of employing the labour themselves. In some cases, there is compliance with all the legal requirements of the *Labour Relations Act*, but off the record, interviews demonstrated that a lot of corners are cut, especially if the workers themselves do not have proper identification documents.

One of the interesting features of labour brokers in the Western Cape is that because they need to keep earning throughout the year, hence, they have an interest in identifying work opportunities throughout the year. This means that many of them provide work to their key workers for most of the year, rather than providing only seasonal work opportunities. Further, workers either have to move physically during the winter months to the citrus farms in other regions or that they have to change industries and move into the domestic or construction industries during the winter months.

Demographically, the composition of labour brokers is mixed. It appears that the largest number is still white and that a large proportion of these were former farm managers. With the economic downswing in agriculture in the 1990s, and the implementation of ESTA and the LRA, many managers were retrenched and saw the emerging opportunity for supplying labour to agriculture. There are also a large number of black and coloured labour brokers, but we heard of only a few women. Some brokers have more than 1,000 workers on their pay roll; it appears that a high number of immigrants are used, too. One broker said: "I use mostly Sotho. The work ethic is better than the Xhosa. They work long hours and can be pushed when needed. My clients respect their reliability. They did not have correct papers for five years because I never realised that there was a legal implication to people coming from Lesotho. They have work permits now."

Many workers have employment contracts which are based on the basic DOL contract. The contract is supposed to be back-to-back with the contract between broker and client. But people get moved around by the brokers according to priority. Each day, a decision is made on which people and how many are going to which client. Some contracts are for a week; some for three months. There seems to be great discrepancy between contractors on administrative systems and the extent to which they actually sign and keep contracts.

The period of time for which workers work for a broker also differs. One broker said that half would be on his books for about a year, the other half for a shorter period.

Wages paid to workers differ. One broker said that "women get R60 per day. Men get a range from R70 to R130. The top end is based on a combination of skill and leadership." The main way of paying is on a piece work basis. As one broker put it, "profit is on a daily basis. I pay R80 to the worker and charge R100 to the employer. Some work on a piece work basis. For example, I get R300 per ton for harvesting grapes. Of that R150 goes to labour. R35 to R40 goes on overheads, which includes transport, shears, administration and banking. The rest is profit for me."

Another broker described his business as follows: "Every year, it is the same. I work for select farms and provide them with seasonal workers from a group of families. The work is mainly picking and pruning on wine farms. I provide transport to farms and the farmers provide supervisors. Not all my workers have IDs. I do not train my workers; they get trained on the farms. For daily work, the workers get paid R60 to R70 per day. I provide the uniforms but no equipment."

Productivity was the determinant of wages, according to one broker who said that wages vary from R180 to R560 per week per individual. He added that if the workers do well, they get more than their white supervisors.

Labour brokers and construction

As with mining, the labour brokering services in the construction sector vary from one person bakkie brigades to large established firms. Similarly to the mining sector, the services offered vary enormously depending on the size of the firm. The larger operators do not think much of the smaller bakkie brigade, as one person commented: “The labour broker business has a bad reputation, a bit like the second hand car industry, with over 90% of labour brokers not registered and many clients have burnt their fingers. We pick up a lot of the employers who have had bad experiences. Just today, we took over a contract from a labour broker who was not registered. We are a professional company with a dress code that is more than the shorts and long socks guy in a bakkie.”

This particular operator was registered with the Department of Labour and all of the relevant bargaining councils. They pay UIF and Worker’s Compensation. They also walk away from business if the prospective client is not willing to work within labour legislation. “We do not do ad hoc stuff and we prefer to work with clients who have a good handle on their employment needs and have a steady workflow with defined percentages of their temporary workforce. We do not work for a client until we have had an extensive tour of the business and met with the CEO.”

The broker went on to explain: “All our temporary staff are paid bargaining council rates and, therefore, none are paid less than permanent workers. And while the unions are not in favour of labour brokers we do create work.”

“We employ between 2,500 and 3,500 workers. We perform extensive criminal checks as well as ID verification.” The broker did acknowledge that they employ a number of illegal Zimbabweans. “We prefer to work on long term, permanent sites, hence, no database is needed. We approach local community leaders for labour. We prefer to employ locally as it means job creation in the area, no need for temporary housing and reduced transport costs for all concerned. Who we employ all depends on the client but, for construction, they mainly want men. In another job sorting spices in a factory, the employer wanted women. “

One labour brokering firm, Contracta Force (C-Force), even has a training division, although this is unusual. The broker explains: “We try to move all of our workers up two categories in skills levels. We have a training division called Contracta Training where we do basic forklift, health and safety and other training. Boland College training is also used to train workers in industry standards.”

In the view of this larger player, “the main challenges for the industry are most importantly finding good staff who are willing to work. Also, the minimum wages for semi-skilled and unskilled workers needs to be increased”.

Costing the service

The cost structure of labour brokers varies and it was difficult to get any detailed information on the costing. Those interviewed spoke of anything between 25% and 40% of the fee being used to pay for their service. Within this fee, the time, supervision and services of the broker are included. Those at the higher end of the fee spectrum tend to also provide transport.

SERVICES TO WORK SEEKERS AND WORKERS

Work opportunities

We concluded that the main advantage for a work seeker of using a labour broker is the potential for work throughout the year. One broker pointed out that there is work but people, especially workers, do not know where it is. The labour broker often has the knowledge about where work is. This broker pointed out that in Australia, where there is great reliance on seasonal temporary labour, there is a labour office that provides that service to specialised labour brokers, such as sheep shearers. The farmer will inform the labour office of the needs and the labour office then works with labour brokers or work team leaders to see what is available when and where. The labour office then gets a cut from the value of the contract. An additional benefit of this system is that, over time, the workers develop a worker's profile which is essentially a combination of a reference and a training certificate. The broker who spoke of this system added that there were attempts to get something similar going in the Drakenstein area, where farmers would work with the brokers, and there would be both coordination of opportunities and some form of in service training for the labour. The committee met a number of times but fell apart when there was a change of political party leadership in the municipality.

Transport

In the absence of public transport in the rural areas, workers are reliant on private transport, usually of the employer or the labour broker. Many labour brokers provide transport to and from the place of employment or arrange for the farmer to collect workers at a central point.

Tools and equipment

Workers seldom have their own tools and rely on the shears, spades and sometimes protective gear that labour brokers provide. Generally, the cost of this is built into the contract. From the interviews, it is unclear if the labourer or farmer absorbs the cost of this.

Pay roll administration

The labour broker usually gets paid by the employer and then disburses the weekly wages to the labourers after making deductions. It is not always clear how this role is agreed and it appears that most conflict is over how much the labour broker deducts and for what. Brokers cite difficulty in getting rid of people who are not productive and claim local government councillors are used to lobby them. For major lay-offs, rules are carefully followed and workers are warned that the contract won't be extended because work is drying up. According to the labour brokers interviewed, people mostly accept that.

"Brokers and labour are part of same community. If workers have problems then they come to the broker for help e.g. If there is a funeral that will cost R5,000, I will give R3,000."

Housing

One labour broker interviewed provided access to housing for workers he employs and he knew of only two other who do the same. The condition of the housing seemed to vary dramatically, ranging from shacks and hostels to individual houses. The idea seemed to be an agri-village and what was interesting is that that labour broker has employed the same 100 workers for more than five years. The cost of the housing – rental – is deducted by the broker from the contract wages: the fairness of the terms of this agreement and whether workers have the choice to opt in or out of this arrangement are key to whether this is a form of benefit or a form of indentured labour.

Others provide no housing, as one broker commented: “For labourers, it means they are in a difficult position in terms of housing because their need wasn’t recognised; so, workers may find themselves with no accommodation other than in shacks. Labour has to work through a labour broker because clients won’t have them living there anymore.”

Another concurred and cited the lack of housing as the reason for a lack of ambition: “All Pay is the new apartheid. A woman gets R180 for a child! When children’s money comes, they all stay at home. It reduces ambition and even when there is the opportunity to get more money, they settle for less. It all goes back to housing: [you] can’t build a better life without a house. You cannot become consumer because there is nowhere safe to put your possessions.”

Placement

While not a direct service offered by brokers, it seems that some workers who were provided as part of the labour brokering service ended up being offered permanent jobs. This is true in the mining, construction and agricultural sectors. The mines are very explicit about this expectation and state upfront that they use labour brokers to interview and test possible talent. A labour broker in the agricultural sector put it slightly differently: “My better workers get placed with the client. It is extremely irritating. [My] best picker ends up in someone’s kitchen. Often, in the quieter times, the work seekers started enquiring about other possibilities. In general, I find that they start in agriculture and move on and can help themselves after a few years.”

WHY EMPLOYERS USE THE SERVICES

Most employers use labour brokers to avoid the implications and responsibilities of taking on permanent workers. As one interviewee put it: “There is a tendency for agriculture and industry to shy away from labour and the laws and the red tape.”

The services that the labour brokers give to clients are the following:

Recruitment

We concluded that many employers use brokers, particularly for short term or irregular work, because of the fears of the labour legislation and the inability to hire and fire staff based on the demands of the work. As one broker explained: “I believe our clients use us because they are “gatvol” of dealing with staff under the current labour legislation. It is impossible to fire someone these days, and if you do, it takes 10 months followed by time wasting at CCMA. Discipline is no-where anymore, so when we take over existing staff we instil discipline, fire the baddies and institute breathalyzers and lie detectors if there is theft.”

Supervising tasks and jobs

According to the labour brokers, clients do not want to take responsibility for training workers to do basic tasks, so that falls to the labour brokers and the supervisors that they employ.

Training

According to the labour brokers, on the job training is often provided. One broker gave insight into his perspective on training and the law. “For example, I may get a 30 year old male who has never worked but [who] has been cattle herding all his life .He’s an illegal immigrant but he is prepared to work hard. After two years, he could be able to do fencing. That’s development, so I don’t pay a development levy!”

Security

It appears that crime is a factor influencing choices. According to the labour brokers, clients have security fears and using labour brokers mitigates this when a labour broker develops a reputation within the community as a supplier of reliable labour.

Pay roll administration

From the interviews, it seems that, in most instances, the broker pays the workers which means the employer only has one payment to make and can generally avoid working with large sums of cash; that reduces their vulnerability to crime.

Legal compliance or avoidance

Labour brokers' practices vary substantially over whether or not they ensure legal compliance on behalf of the employer or legal avoidance. While it is a requirement that UIF and compensation fund is paid, in practice, this is often not the case. What is evident is that for most labour brokers there are none of the additional benefits that sometimes accrue to permanent labour, such as bonuses, pension arrangements, and medical provision or leave benefits.

Many labour brokers feel they are within the law, as one labour broker proudly explained: "I was taken to court by new workers on the grounds of not having contracts." He explained to the CCMA that each worker "is boss in own business. He works for [his] own pocket. I, the broker, get paid and I just distribute the money to the labour. Each 30 workers have a supervisor and a bookkeeper. The new workers took me to the CCMA for low wages but I could show that those workers low wages was because they weren't productive. I had all the records and the CCMA was happy."

Many others would contest this, but unpacking this further fell outside the scope of this research.

SELF REGULATION

The labour broking sector has been the subject of much debate and controversy. Much of this centres on labour brokers' lack of compliance with legislation and agreed wage rates and the consequential poor working conditions and exploitation of workers.

In response, some sectors have initiated processes to improve the conditions of workers employed by labour brokers through the processes of self regulation. This is usually motivated by self interest and in response to negative publicity and has resulted in the development of a shared approach to conduct around which ethical questions have been raised. Two such initiatives are described in detail below.

Fresh Produce Exporters' Forum (FPEF)

The Fresh Produce Exporters' Forum (FPEF) is a non-profit organisation set up to facilitate a prosperous but disciplined fruit export sector. The organisation has over 6,000 members who collectively employ 460,000 workers exporting 2.2m tons, worth R10.5bn.

As part of its empowerment programme, FPEF introduced a programme called Top of the Class in 2004. This exposed historically disadvantaged farm workers, pack house workers and exporter employees to the full value chain, thereby assisting them appreciate their role and contribution. The training, initially funded by DTI, is provided in partnership with Agri-

Academy, the National Training Institute, Agri IQ and the University of Pretoria. A set of nine trade chain manuals supports the course.

Following the expose by a worker at a TESCO board meeting, FPEF market share came under threat. Tesco chairperson visited the industry and made it clear that if they did not deal with the labour problems and regulate the brokers in the industry, there would be no more market. In response, the industry decided it needed to improve the conditions of workers, be they permanent or temporary workers. A forum between FPEF members and labour brokers servicing the sector was set up to discuss the problems and collectively find solutions.

This resulted in the Top of the Class training being extended to interested labour brokers, the creation of a nascent labour brokering association (comprising brokers working for members of FPEF members) and agreement on minimum conditions of employment that all workers in the industry would receive regardless of the employee.

The plans for the future include:

- Developing a tailored set of manuals for labour brokers linked to a targeted Top of the Class training programme. This is dependant on securing funding;
- Developing a code of conduct and membership structure for the nascent association and requiring all labour brokers in the industry to register; and
- Formalising a mechanism for on-going dialogue between the industry and the new association.

Wine Industry Ethical Trading Association (WIETA)

WIETA is a voluntary, not-for-profit organisation that was started in 2002 and which aims to promote decent and fair standards of employment among South African wine producers, retailers and, more recently, cut flower and deciduous fruit growers and pack sheds. The association performs ethical auditing, having already accredited 12 producers. The organisation now has 95 members and has 16 auditors as independent contractors, along with three full-time members of staff. Tesco, Co-op, Marks and Spencer and ASDA have signed up as members and all United Kingdom retailers have shown their support for the scheme. One of the association's greatest achievements has been its ability to bring together so many different stakeholders from the wine, cut flowers and fruit trades, retailers and NGOs to attend regular meetings and work together in a common goal.

WIETA has drawn up a code for ethical trading based on Ethical Trading Initiative (ETI) standards which covers areas such as health and safety, discrimination, working hours, living wages, and freedom of association, training and housing provision. Members are made aware of the code and carry out their own self-assessment to check their compliance with the guidelines. They then book an audit by WIETA to check that standards are being upheld. WIETA auditors, experts in fields as diverse as labour law, health and safety and rural social research, spend one to two days in each workplace, consulting and feeding back to both the workers and management. Corrective action plans are then put in place, and WIETA monitors their implementation until all standards have been met.

Many workers in South African vineyards, flower and fruit orchards are temporary, and labour brokers who contract this seasonal labour force have been found to be guilty of committing the most rights infringements by not always paying a decent wage or by formally contracting their workers. WIETA is working to ensure that labour rights are respected throughout the supply chain. Especially, WEITA requires that labour brokers be audited along with the main employer at a member's site. Labour brokers supplying employees to the wine

industry can also join WIETA in their own right and be audited to gain accreditation. Some WIETA members have required their labour brokers to do this and the trend is increasing.

WIETA completed the first year of social auditing in 2006, and has assessed the performance of 42 of its producer members' sites against the WIETA code. The 42 companies span the entire production supply chain for wine, consisting of 11 stand-alone vineyards, eight estates (vineyards and cellars), 10 stand-alone cellars, five cellar-bottling plant combinations, two stand-alone bottling plants, and one cork producer. There was also a wine and brandy cellar, and one each of brandy and whisky distilleries. These sites employed almost 2,000 people throughout the year, of whom just under half were temporary or seasonal employees.

Two thirds of the sites used labour brokers to supply their temporary or seasonal workers, and in some cases, several labour brokers were used at one site to supply labour during the harvest. WIETA auditors, therefore, focused particularly on whether labour standards for permanent workers were upheld for the temporary workforce at these sites.

ASSESSMENTS AND ISSUES

As the case study demonstrates, it is difficult to provide a single description of the service and issues as these vary depending on the size of the operator, the degree of compliance with legislation, the industry and the market. However, what is clear is that, collectively, labour brokers are the largest employment service provider to work seekers with no or limited skills. The quality of the service and the extent to which workers rights are protected varies enormously.

They are, generally, loathed by trade unions because they say the system creates an underclass of workers, with labour brokers undermining basic worker rights and circumventing regulation; that was certainly evident even in the limited research undertaken here.

From the growth of the sector, we concluded that from the perspective of many employers, brokers make employment processes a lot easier: Sometimes, this is about administrative efficiency and a 'one-stop' service that brokers offer in relation to compliance with regulatory requirements; and sometimes it is about avoiding such compliance.

At the same time, as this is their business, brokers are very good at scouting out work opportunities and building networks, both within and across industries, to ensure there is work all year round. While this research did not include interviews with work seekers employed by labour brokers, this potentially adds value to the work seeker using the service. Consequently, while a daily wage from a labour broker may be low, the income earned, as a result of the greater access to opportunities, may exceed that of a casual worker trying to find work on their own.

The question we were left with is how should government engage with the TES and labour brokers in particular? With an estimated average daily placement rate of 400,000 unskilled people, this is clearly a critical policy challenge. The success of labour brokers in matching unskilled workers with work opportunities far outstrips the performance of any other form of labour market intermediation targeting this sector; yet, despite a drive towards greater compliance currently emerging from within the sector, unacceptable levels of abuse and malpractice are still evident.

LESSONS

There are many lessons that can be extracted from the case study, including that:

- The private sector does provide services to the bottom end of the skills spectrum, suggesting it is possible to provide incentives for the market to play more of a role;
- With the right signals, including both incentives and penalties, the market has shown scope for greater levels of compliance and a level of self regulation;
- Government regulation does not always have the intended consequences and can result in a worsening of the situation;
- The most vulnerable of work seekers often cannot protect themselves;
- The value added for workers centres around the ability of the broker to source continuous work through their networks;
- The value to the employer is the reduction of time and hassle dealing with employee related HR issues.

CASE STUDY 6: MEN ON THE SIDE OF THE ROAD

INTRODUCTION AND CONTEXT

Each day, an estimated 100,000 men, between the ages of 16 and 60, gather at roughly 1,000 sites throughout South Africa. They are always there at the same intersection, come rain or shine, waiting expectantly for contractors, homeowners, or anyone, who can offer them a job. Most have only a basic education. Many have experience in a trade. Some have very little work experience and low skills levels. What characterises them all is a desire to find work and earn an income. As one commentator reflected: “These are people who have chosen not to stay at home; they have chosen to get themselves to a pick up site in the hope of work.” Despite the desire to work, these men lack the resources or skills to create their own work opportunities and, therefore, are reliant on others to give them work. These are the men on the side of the road.

Social entrepreneur Charles Maisel decided it was time to do something to assist these men. Inspired by the belief that if these men became organised and recognised and used this strength, sustainable change would be possible for the unemployed. As a consequence, he initiated *Men on the Side of the Road*. Initially conceptualised as a national federation of the unemployed, the organisation was set out to provide a chain for members to pull themselves up on. This, in turn, would increase their ability to earn a sustainable income.

OVERVIEW OF THE AGENCY

Purpose

Men on the Side of the Road (or MSR) is a not-for profit organisation set up to help those who stand on the side of the road find full employment. This is achieved through a three-pronged approach:

- Designating sites, where people stand looking for work, for recruitment and support and recruiting a database of members who are registered as looking for work;
- Identifying training needs and facilitating training to develop the skills base of members and make them more employable;
- Placement service which involves providing short and long term jobs through matching work seekers with employers. This requires extensive marketing of the service to potential employers. In addition, the organisation supports the creation of new employment opportunities through driving job creation projects

Set up in 2001, the project provides services in Cape Town, George, Kimberley, Nelspruit, Pretoria, Durban and Johannesburg. The Cape Town office is the oldest and most established office in addition to being the head office. Offices outside of Cape Town are not dedicated MSR offices. Instead, they tap into existing infrastructure in these areas and operate on a franchise basis. A franchise agreement governs this relationship and sets out the terms and conditions for the franchisee. A manual provides guidance to each region and a common approach. Yet, despite this, each region has developed a unique character.

History

In its short lifespan, the organisation has gone through a number of different strategic shifts. In its first phase, 2001–2002, the organisation centred on organising men through registration of members of ‘the Federation’. The focus was on raising the voice and protecting the rights of men on the side of the road. This phase was characterised by publicity that drew attention to the plight and struggles of men at the side of the road. In addition, emphasis was placed on the protection of the men’s rights and the establishment of a forum, ‘the Federation’, which could become their voice. While registration is still an important part of the MSR process, the Federation has not really taken root and MSR remains the voice of men on the street. Registration of members has essentially become registration of men on the MSR database. (Unisa, Evaluation Report, MSR, 2007) In its most recent strategic planning, MSR decided not to work on issues relating to the Federation. Responsibility for this has been passed onto the Federation, itself.

In the second phase, 2003-2004, a tool workshop was added to the services. The main aim of the tool workshop was to collect tools for use by men on the street. It was also used in training men to use and repair the tools. It was hoped that the tools would improve men’s access to work. The tools played an important role in enabling MSR to tender for work. For example, the organisation won the job of cleaning historic buildings in Cape Town and of maintaining the Company Garden. These jobs would have been impossible to do without access to tools and equipment. Over 15,000 tools were collected. In addition to tendering for work, the tools have provided a basis for teams to set up contracting units. In a recent evaluation conducted by UNISA, it was found that the tools were not used regularly outside of the gardening tools in Nelspruit. They went on to comment that the tools require large storage spaces and staff to manage and questioned the cost effectiveness of the workshops.

The next phase of development was a focus on training to enhance the employability and marketability of the men. Here, the focus was mainly on gardeners, painters and construction workers. In Pretoria and Nelspruit, recognition of prior learning through assessments was included in the process of training. Men who are trained receive a stipend for attending the training. This ensures they do not lose income while undergoing training. The organisation has focused training on the construction trades, skills in high demand, and gardening, the selected trade of many of its clients.

Training remains an important part of the current MSR strategy. Training continues to be provided in gardening, painting, tiling, carpentry, plumbing and bricklaying, with recent additions of security and car wash training. In addition to these trades, life skills training is provided, too. Short term work can be sourced for the unskilled but it is seldom permanent or regular. Through training, MSR hopes to improve the employment prospects of members by enabling them to find more skilled jobs.

Training is costly. It also requires a follow on service which consolidates the training with practical experience. This is discussed in more detail later.

The last phase, which has evolved over time, is the placement service. Initially, MSR played a direct role brokering jobs through offering a booking service, matching skills to needs, providing transport to workers and payment of workers on behalf of clients. Over time, MSR has extracted itself from any direct involvement in the employment relationship (for example, transport or payment) and rather focused on an intermediation role.

The final phase, which has been developed recently, is the creation of new employment opportunities through support for new ventures. As current director, Peter Kratz, explained the commitment is to providing sustainable work for members. Often, the jobs secured via the placement service are temporary in nature. Also, most are existing jobs, not new opportunities. Consequently, MSR has started identifying new opportunities and creating ventures to take up these opportunities. The creation of the waterless car wash business is one such example. George Mosebetsi runs one of these businesses. Before his contact with MSR, he travelled into town daily and joined the queues of men in town. On average, he would be lucky to find work three or four days a week for which he was paid an average of R80 per day. He then joined MSR and was immediately selected for training in the car wash system. He now has a business employing two other people and earns at least R500 a week, net of all expenses. Enterprise creation is very resource intensive for staff at MSR. Generally, businesses need a lot of support once established.

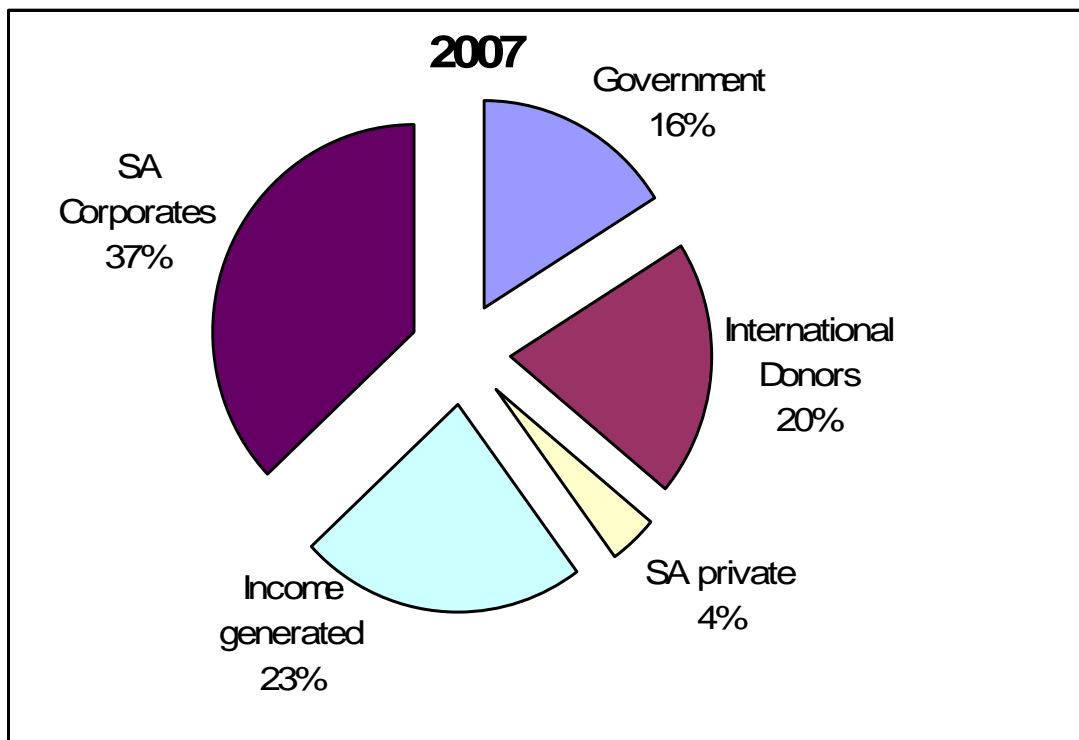
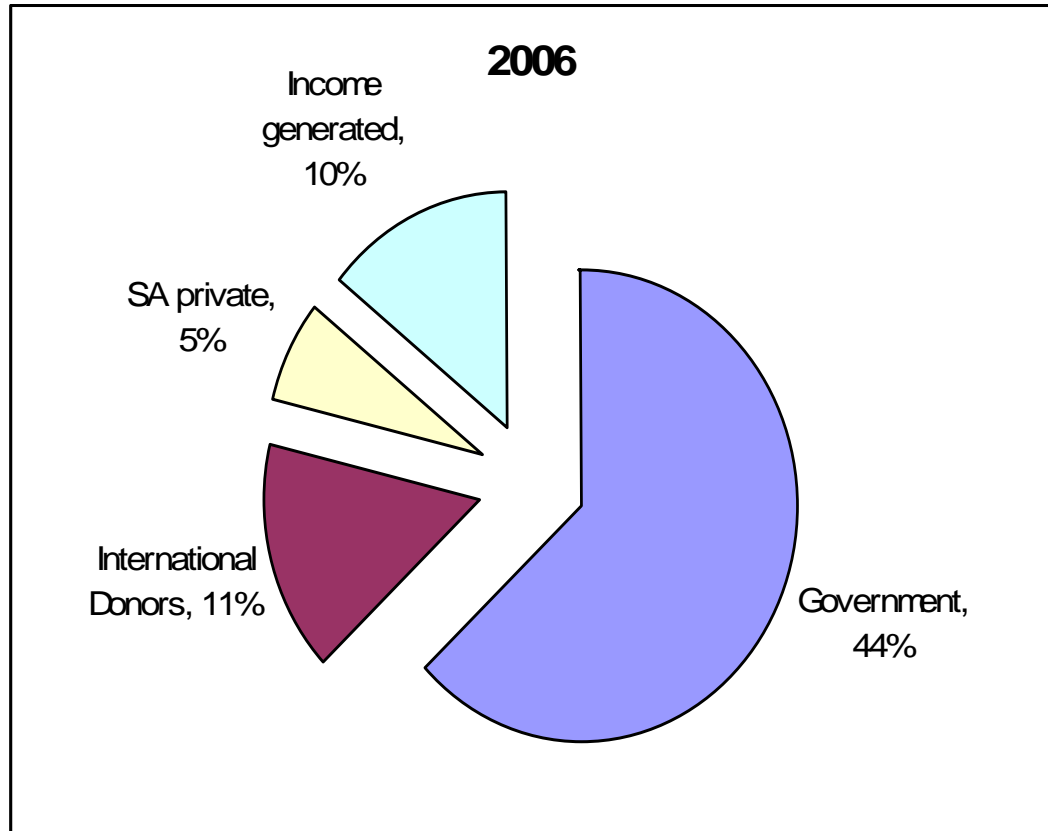
Structure

MSR has a Board of Directors consisting of four people. The organisation has a small national office and branch offices. The national office has administrative, financial, marketing and fund-raising staff in addition to the regional manager and director. Each office has a manager, placement and membership staff. In the large city branches, the membership team includes fieldworkers or site coordinators and an overall membership coordinator. In the smaller offices there is just one person.

Funding

The organisation is funded through a combination of grants, donations and income generated from services. The funding mix changes from year to year. In 2006, government was the largest donor, contributing 44% of the budget. The bulk of these funds have been raised from the provincial departments of Social Development. This year, the contribution from government is less than 20%. International donor funds have increased, as has funding from South African corporate donors. In addition, income generated has also increased. The pie charts in Figure 4 provide an overview of the funding over the last two year. A full list of donors is an annexure to this report.

Figure 4: MSR's income sources (2006-2007)



Source: MSR website

In the sections that follow, MSR's target beneficiaries, services, systems, impact are discussed and the case study concludes with lessons for other initiatives.

MEMBERS AND WORK SEEKERS

Given the fluid nature of Men on the Side of the Road members, no accurate figures were available on the total number of current members. However, membership records provide a figure for the total number of people who signed up with Men on the Side of the Road since 2001: it is around 10,000 members.

Most of the members are men, although there are a few sites where women have also started gathering and have become members. The age of members varies between 16 and 60. The majority of members are South African; however, the number of foreigners is increasing. Although required on the registration form, MSR does not insist on valid work permits or ID documents to register members.

Most of the members recruited are gardeners, general workers, painters, bricklayers, plasterers, cleaners, tilers and site labourers. The women recruited are largely domestic workers.

Not everyone on the side of the road, at any given site, selects to become a member. Questioned as to what made them decided to join MSR, a few members spoke about MSR as a resource in the struggle for work and about the increased opportunities, for both work and training.

OVERVIEW OF SERVICES AND SYSTEMS

Membership database

MSR recruits unemployed people as members. Recruitment is largely undertaken by fieldworkers who visit the various sites where work seekers congregate to look for work. The designated fieldworker visits the site once a week to recruit members.

In the membership registration form, members are asked to provide their name, ID, contact details, details on education and skills and a history of their work experience by occupation. Members are also asked if they have a criminal record and what training they think they need. (A copy of the form is available as an annexure). Asked if members lie about their work experience, Mr. Vuyisele Mofu, a fieldworker, explained that they check the experience and ask trade-related questions. For example, if someone says they are a plasterer, the fieldworker would probe this and ask how they would plaster a corner.

MSR evaluates the members' skills via either an interview, practical assessments linked to training or, sometimes, via references. This evaluation process provides an assessment of the skills using a rating of one to three, where one is limited and three is proficient. In addition, workers placed are followed up to see if the employer is happy.

Members receive a membership card with their photograph and details on it once they are on the database. No-one is refused membership.

Due to limited funding, a weakness in the MSR system is that it does not have an individualised system of tracking. So, while the organisation is able to provide details of the number of work/training days facilitated, and the number of people assisted, they are not able to provide details on the number of days member 'x' worked and for whom.

The database is currently being updated. The new membership database, which will be operational from 2008, will be driven by a person's ID number or passport number and will be a countrywide unified database. This will substantially reduce the chance of any duplicate

registrations. In addition, MSR will be able to track a member's employment history over time and the employer will be able to log onto the website and give feedback.

Training

In their experience, MSR has found that short term employment does not address long term unemployment. Often, at the end of the assignment, people are once again looking for work on the side of the road. Therefore, they have developed a training programme for members who need to enhance their skills, either to create their own job or to secure long term work. Training is resource intensive – in terms of both people and money – and is one of the largest operational cost drivers.

Training is provided in hard skills, such as gardening, bricklaying, putting up ceilings, roofing, slab laying, painting, tiling, plumbing, security and car wash. All this training is accredited training. In addition, life skills training, including conflict management, financial skills and communication are provided. Some of this training is accredited; some is not.

Table 7: Training provided by MSR (2007)

Training	Pretoria		Jo'burg		Nelspruit		George		Kimberly		Durban		Cape Town	
	No	Days	No	Days	No	Days	No	Days	No	Days	No	Days	No	Days
Tendering	22	110	0	0	0	0	0	0	0	0	0	0	0	0
Gardening	19	95	0	0	10	50	15	150	15	135	18	180	61	610
Painting	11	550	21	665	0	0	0	0	11	220	15	300	15	225
Tiling	11	550	15	1100	0	0	0	0	0	0	0	0	0	0
Carpentry	12	660	17	810	0	0	0	0	0	0	0	0	0	0
Plumbing	12	600	0	0	0	0	0	0	0	0	0	0	0	0
Bricklaying	13	650	38	1544	0	0	0	0	0	0	0	0	4	180
Roofing	15	75	0	0	0	0	0	0	0	0	0	0	0	0
Slab laying	0	0	11	220	0	0	0	0	0	0	0	0	0	0
Computer	0	0	15	240	0	0	0	0	0	0	0	0	0	0
House writing	0	0	0	0	4	20	0	0	0	0	0	0	0	0
Life skills	0	0	0	0	45	135	0	0	0	0	0	0	0	0
Car wash	0	0	0	0	0	0	0	0	0	0	0	0	10	480
Security	0	0	0	0	0	0	0	0	0	0	0	0	7	105
Ceiling	0	0	0	0	0	0	0	0	0	0	0	0	3	12
Cardboard furniture	0	0	0	0	0	0	0	0	0	0	0	0	13	13
Total	115	3,290	117	4,579	59	205	15	150	26	355	33	480	113	1,625

MSR provides all trainees with a stipend of R80 per day, which is the same as they would earn as a labourer if picked up on the side of the road. This enables members to focus 100% on the acquisition of skills. The training is also used to build work readiness skills. Each

trainee is contracted for the period of the training. Trainees are expected to arrive on time, be present for the full day and perform tasks in accordance with instructions from their trainer.

Ideally, only members with verified skills and those who have proven their work readiness are selected for training. However, in practice, the selection is more random. Of the four members and potential members interviewed, all highlighted training and the payment of the stipend as one of the most attractive services offered by MSR and a key motivating factor for their registration as a member.

In the absence of some experience, trainees are seldom able to take up a job in their new skills. Therefore, MSR now aims to include a work placement for each trainee. This would provide up to six months work as part of a team. Members will leave the programme, called the internship programme, via one of three routes: long term employment, self employment, or opening a small business with others.

The cost of training per intern – training plus work experience – is between R10,000 and R40,000 per person, depending on the length of the work placement.

The UNISA evaluation found that training is not always linked to the information provided by members on registration. Instead, it has become an incentive for recruitment.

Staff all suggested there was evidence that training did in fact increase people’s prospects of employment but this could not be verified as data are not accurately tracked.

Placement service

Placement is a core service provided by MSR. It is the placement officers and co-ordinator’s responsibility to link members to employment opportunities. They work off the centralised database. Preference is given to members with verified skills and the highest rating received from employers.

Table 8: Work days facilitated (2007)

Province / city	Work days
Pretoria	5,160
Johannesburg	16,781
Nelspruit	24,251
George	1,008
Kimberly	1,494
Durban	1,954
Cape Town	8,272
Total	58,920

Initially, when the service started, MSR positioned itself as the go-between or ‘broker’ in the employment relationship. More recently, it has changed its role to that of a facilitator and focused more on creating the linkages. While no labour advice is provided any longer if MSR finds that an employer is consistently abusing members, the organisation will assist members by referring them to legal aid services and will blacklist the employer and stop dealing with them.

The organisation offers once-off placements, permanent placements, individual and group services. A potential employer can call the office, meet a fieldworker on site or make a booking via the website for a worker. MSR provides details of the potential worker's membership card and any other relevant details on the database. In future, it will be via SMS to the potential employer and this enhancement is set to be implemented in 2008. Once an employee is placed, the employer will receive a follow up call from MSR. The biggest demand is for gardeners, bricklayers, plasterers and tilers.

Members (potential employees) are contacted via cell phone, if an opportunity that matches their skills is identified.

To provide this service, the organisation does extensive marketing. Articles are placed in various newspapers and newsletters, press releases are distributed to the media, direct marketing is carried out with contractors, events management companies, labour brokers, the website is maintained and used to advertise the service, Public Relations (PR) events are held on-site and fieldworkers undertake networking with potential employers.

A new component to the placement service is the identification of new work opportunities by MSR staff. A gap in the market is identified and a plan to fill the gap developed that will result in the creation of new work opportunities for members. Gardening contractors, painting contractors, carwash teams are just some of the businesses that MSR has given birth. The latter is a lot more resource intensive as MSR provides the facilitation service plus an after placement support and mentoring service.

MSR reduces the amount of time people spend out of work by providing access to a bigger pool of potential work opportunities. Before contacting MSR, most work seekers relied on their luck on the side of the road and friends who might know of an opportunity. Through MSR, they have access to a greater pool of work opportunities increasing their chances of finding work, training opportunities and being part of a MSR team or new venture. This reduces the amount of time spent looking for work.

WHY EMPLOYERS USE THE SERVICE

Most employers who use the service heard about it via MSR's direct marketing, a fieldworker on the site or a colleague. They use the service because:

- MSR saves recruitment time and effort. As a contractor commented: "For me to drive around and look for all the staff I need would take me a few hours that I don't have, every morning. MSR provides a one-stop shop." Asked if he would continue using the service if he had to pay for the service, the answer was a definite yes, provided the costs were not exorbitant.
- MSR verifies the skills base of work seekers. When recruiting members, MSR ask them to classify their experience by occupation (bricklayer, plasterer, painter, tiler, carpenter, electrician, warehouse, gardener, domestic, labourer, office, factory, shop or other). The fieldworkers probe this by asking questions. As one employer has commented to the organisation: "If I pick up guys myself, six out of every ten don't last more than a day because they don't have the right skills or attitude. If I recruit through MSR, only two out of 10 are not suitable. If I say I want a painter, generally, I get a painter."
- MSR provides credibility to the recruitment process. A private individual interviewed said she had heard about MSR via the local knock and drop paper. She is retired and did her own garden until recently: "I thought it would be good to have someone help me in my garden as my husband and I are both getting on. However, I would never

have risked picking someone off the side of the road. It is too dangerous for us as pensioners. So I called MSR and asked for help. At least I know they have checked out the person. The first guy they sent did not come back after his first day. So I called MSR again. The new person is great. He is such a hard worker that he finishes what needs to be done by 14h00." She would not be willing to pay for the service as she is a pensioner with limited resources.

IMPACT AND PERCEPTIONS

In the last year, MSR has facilitated an average of 5,892 days of work per month for its members. This translates into a total of 58,920 work days between January and October 2007. The bulk of these were created in the Nelspruit area, with 24,251, followed by Johannesburg with 16,781 and then Cape Town at 8,272 and Pretoria at 5,160. The Kimberly, KwaZulu-Natal and George offices are all a lot smaller, creating less than 2,000 jobs each in the same period. All the offices, except the Cape Town office, have exceeded the targeted number of days. These work days include the work days of permanently placed workers. The significant increase from the average number of work days created on last years figures (of 1,700 work days per month with an annual total of 20,400 work days created in the year ending December 2006) is evidence of the potential and demand for the service.

Taking the total budget and dividing it by the number of work days created, the cost per work day is R240 (2006) and R60 (2007 estimate). However, as the director reflected, this is not an accurate figure as the cost is distorted by the training costs. If we excluded the direct costs of training, the cost per work day drops to R184 (2006) and R43 (2007). Using an average of R100 per day, MSR has leveraged over R5.9m in wages back to the members it assists, all of whom are unemployed people from the side of the road, in the last year. For every one Rand spent on the organisation, R1.67 is leveraged back to its members in wages, in addition to the transfer of a host of new skills and the creation of a number of new businesses. If we exclude the direct training costs for every one Rand spent, at least R2.33 is leveraged back to members in wages. If we assume a higher average wage, the picture looks even stronger.

In total, 5,700 people have been placed in part time work and 618 in full time employment in the 10 months to October 2007.

In the same period, MSR provided training to 738 people in 2006 and 484 people in 2007. The total training days for 2006 amounted to 10,890 while between January and October 2007 the total was 11,074. The bulk of this training has been provided in Johannesburg, Cape Town and Pretoria, followed by Nelspruit and Durban. The direct cost of training is R3,299 per person (2006) and R10,000 (2007). In the last year, the focus of training has been longer term and linked to the SETAs, with future plans to link into learnerships. This has resulted in a longer period of training, work placements and a long period of stipends all of which increase the costs of training.

Despite staff belief that training increases chances of long term employment, the figures do not tell the same story. With the current records, it is not possible to draw any conclusions on the link between training and jobs. For example, interestingly, training provision in Cape Town has been excellent, yet the centre has lagged in its job targets, while limited training has taken place in Nelspruit yet it has been a star performer. This is an area for future monitoring.

ASSESSMENT

MSR is an innovative service set up to meet the needs of a particular group of unemployed people. It is one of the pioneers in the employment intermediation sector in South Africa. With few resources it has developed a range of services, tried and tested different approaches, and come up with a model for one of the larger target groups of unemployed people. MSR has been very innovative in the way it has used its limited resources to expand the service through its franchising system. A possible weakness with this system, highlighted in the UNISA evaluation, is the inconsistent management model for different branches.

One of the greatest assets in MSR has been its leadership and vision. MSR is an attractive brand that has captured the imagination of people, resulting in its expansion around the country. It is run by a dedicated and creative team that has continually innovated and experimented with different aspects of an employment intermediation service as it has responded to and reflected on its members' needs.

MSR has been more than vision and good will. It has also impacted on the lives of thousands of people. The organisation has accessed large numbers of unemployed people and captured their details. It has also succeeded in facilitating employment for many of these workers, even if it is short term work. It has trained large numbers of people, thereby increasing their prospects of work. Some of those trained have been assisted to set up their own businesses.

Key weaknesses within the organisation are its systems and inability to track the impact of its services on specific people or the exact costing of its services. It would seem that the service is a costly one, largely due to the cost of providing training, stipends and work experience.

LESSONS AND ISSUES

MSR experiences provide a number of lessons for others thinking about providing employment intermediation services.

- Spread of services: MSR started out as a federation, migrated to a database and advice service, then a placement service, soon adding training, and then job creation, demonstrating the link between the continuums of services as detailed in the research design. It provides useful lessons in each of these service areas.
- Impact of different types of services: Placement is an important service. For people with a trade or recognised skill, they need assistance finding work and also with understanding the requirements of full time work, often referred to as job readiness training. . For those with no real skill, the placement service provides temporary relief but it is the addition of training that creates a medium to long term work opportunity.
- Scale of service: The MSR model enables it to work at scale. It is a simple model, linked to sites where people wait, and to firms, contractors and individuals looking for workers. If the organisation were to scale up further, it would need resources for excellent systems and clear business processes.
- Expansion of work seekers' network: Before finding MSR, work seekers relied on a combination of luck and networks of friends and past employers. MSR provides access to a broader network thereby increasing the possibilities and with this often reducing the time taken to find work.
- Operational models: The MSR model is cost effective in cities and towns but experience suggests that different models are needed in small towns. For example the team questioned its success in Kimberley where employment opportunities are limited.

- Marketing: Employment intermediation requires active marketing of the service and recruitment of potential employers. Marketing requires a good brand, consistency, capacity and resources. Many of the employers had heard about MSR via its marketing. In its recent strategic planning, the organisation planned to increase its investment in marketing as a key strategy to increase the number of available jobs for work seekers.
- Databases: Databases of the unemployed are a mixed bag. The targeted market is fluid and mobile. Today, someone might be looking for work. With over 10000 members registered, MSR offers a substantial database. However, many of the members are no longer contactable as people move and numbers change. It is for this reason that MSR employs fieldworkers who get to know worker seekers and provide a personalised touch to what would otherwise a faceless dataset of work seekers in a market that is over supplied.
- Placement: MSR fieldworkers interview members using a standard form. This enables the organisation to recruit large numbers of people with some consistency in the information captured on each person. However, this system limits the profile of members to their own profile of themselves, training opportunities excluded. For some people, there may be opportunities waiting for them if they can be assisted to see them. For example, a member interviewed in this study described how he was looking for work and it had been for a year before he heard about MSR at a security guard training course. He had borrowed money to do the course. MSR had sponsored some of its members to do the course and he became interested in this organisation that paid for its members to be trained and provided them with a stipend. He was now looking for work as a security guard or training as a painter. His dream was to earn enough to be able to expand his hobby: growing vegetable seedlings. When asked why he was not looking for a job in a nursery or as a gardener, he laughed and explained this was a hobby not a job. In all likelihood, Xolani will be placed as a guard and his passion for plants will not be grown because no-one has taken the time to help him work out what skills he has to offer.
- Creation of new work opportunities: MSR both facilitates an employment relationship and reduces the time it takes for work seekers to find work, and for employers to find workers, thereby creating new job opportunities. Individual households who might not otherwise have employed someone, mostly because they do not have the networks and are scared to take the risk of employing someone off the side of the road, are now taking the risk, and new opportunities are identified via the placement offers and through the new venture creations. No data on the number of new opportunities created is available.
- Employment guidelines: MSR provides a guideline of what wages to pay for different categories of workers. This provides a level of transparency and provides a platform for negotiating the employment relationship.
- Barriers to entry: All the personnel interviewed at MSR, and those in other NGO employment intermediation services, concurred that the biggest barriers to entry into the job market are English language skills and conflict management skills. These are two skills they would like to impart to all members. Work seekers who cannot speak English are not able to communicate with many of the employers reducing their options of work. Often when a worker secures work but is not happy with the conditions or pay he/she does not have the skills to negotiate the situation. Either

he/she walks away from the job or becomes aggressive thereby straining the relationship. Skills in dealing with authority, standing up for your rights and managing conflict increase a work seeker's chance of remaining in a job.

- Training: MSR believes that training provides a stepping stone to longer term employment. In the interviews with a limited number of clients in Cape Town, the opportunity of training was identified as the single most important contribution made by MSR. While staff said training was only provided to members who had demonstrated their willingness to work, interviewees seemed to indicate training was a major incentive for joining MSR. Because a stipend is paid to allow members to focus on the training, it is seen as a source of income, which is sometimes preferable to work. Where training is provided, clear systems of selection and recruitment are needed.
- Systems: Systems are an important determinant of success in an employment intermediation service. MSR's weak systems meant that it is not possible to cost accurately the services provided or track the impact of the service on individual members.
- Networking: The absence of strong networks has resulted in MSR internalising a number of services which could possibly be outsourced to other organisations. That is a strength and also a weakness. It results in an integrated service and one-stop-shop for members. However, it also results in duplication and less focus. Through networks and partnerships the same service could be provided with greater potential for specialisation. For example, a partnership with the Department of Labour could fund a large portion of the training budget. A partnership with Red Door could provide the venture creation support. Managing such partnerships is not easy. While in theory, this is an option, experience has worked against such a model as, in general, these government programmes have been unresponsive and regimented in their approach limiting the possibilities of partnerships.
- Immigrants: MSR has found that the number of immigrants on the side of the road has increased. In addition, in its experience often the non-South Africans have a greater hunger for work. MSR requires members to provide an ID number but it does not enforce proof of identify documents or work permits. As such, its service is available to any work seekers who want to use the service for short-term work opportunities. Employers would not be able to offer medium to long term employment to illegal immigrants.
- Possible areas for collaboration: There are aspects of MSR that would benefit from a national resource. These include the design and management of the database, the list of work opportunities, partnerships with other government services and marketing.

CASE STUDY 7: WORK NOW

INTRODUCTION AND CONTEXT

Hout Bay is a microcosm of South Africa. It is home to some of the most upmarket residential properties and also home to some of the city of Cape Town's poorest, with massive employment needs. Sadly, many of these residents of Imizamo Yethu and Hangberg do not have the know-how to market their skills or secure employment.

Creating a programme to meet this need was the brainchild of Graeme Graham-Parker, a social entrepreneur living in the area. Those who knew Graeme described him as a man with passion and vision. He created the Community Employment Initiative which started out

focusing on creating a database of unemployed people and linking them to employment opportunities. Following his death in 2005, the Board gave new impetus to the programme and together with management advisors, Ronald and Tania Bownes, formalised the operations and developed a new model, branding it “Work Now”.

OVERVIEW OF THE AGENCY

Purpose

Work Now is a non-profit organisation set up in 2006. The aim is to help low to medium skilled workers find employment. This is achieved by providing an intermediation service for both work seekers and those seeking workers. Work Now believes that work provides people with a chance to regain self esteem and pride.

The organisation is based in Hout Bay and targets the Imizamo Yethu and Hangberg communities. It has a small staff of four: two office staff and two project managers. The Board consists of six people.

Work Now is funded by the Department of Social Services. Contributions in kind have been received from local businesses, including Matt Mercer Real Estate, First National Bank, Hap Ads, The Bay Ads, Cape Waterfront Estates, Fairheads Trust, Hout Bay Stationers, M&C Computers, Design 80:20, Sijonga-Phambili Adult Education Centre, and the University of Cape Town.

In partnership with the Department of Social Services, 2008 will see the expansion of Work Now services to two additional communities, Retreat and Masiphumelele, using a franchise model that is currently being developed. In addition, the Work Now team has been inundated with requests for help from Hermanus, Atlantis and other areas all seeking to provide a similar kind of service. The organisation also has dreams of growing a string of services to complement Work Now, such as Train Now or Advice Now. However, pursuing these dreams is not part of its short to medium term plans.

Work Now uses the fact that Hout Bay is a tightly knit community in its marketing. It calls on people to think twice before they paint a room, work in the garden or wash their cars. Instead, they propose providing a job for someone which they will help source.

The organisation has remained focused on employment intermediation and has not tried to expand the service to meet the range of other needs of clients, namely training or business support.

WORK SEEKERS

Work Now has a database of over 800 work seekers. A handful of these work seekers spoke of Work Now as their “helping hand” or “foundation” in the struggle to find work. Many have had months of unemployment since arriving in Hout Bay, losing a job or finishing school. Without Work Now, most see only months more of unemployment ahead. As Michelle Ndatyulwa explained: “I used to walk the streets and knock on doors but people are too afraid and no-one would give me a chance. Work Now has changed this.” For the donor, the Department of Social Development, it is the recognition of a person’s skills that is the greatest value that Work Now adds.

People hear about the service through friends or at one of the Work Now recruitment drives. The close proximity of the offices to Imizamo Yethu makes it easy for people to pop into the office. For some, like Zodwa and Timothy, their determination to find work is the key to success. As office worker Denise Bowers comments “Those who come, often remind me of their need for work and they are then in my mind when someone calls.”

Work seekers interviewed were also clear on the benefits. “I was unemployed for more than a year until I found Work Now. They found me a job within three months.” Or, in the case of another successful candidate, Timothy Kamanya: “I have a big hi-fi and amp thanks to Work Now.”

Convinced of the benefits, many work seekers return to Work Now when they lose a job or want to find a better paid job. For Work Now staff, those seeking a better job are not a priority, although some do push their way in, as a visit to the office revealed.

OVERVIEW OF SERVICES AND SYSTEMS

Work seekers database

The work seekers’ database dates back to the days of Graeme Graham-Parker and the community employment initiative (CEI) which had thousands on its database. However, many were no longer contactable and the database had not been maintained.

Work Now decided that the only way any credibility could be established was if each and every work seeker was re-interviewed, or in the case of new applicants interviewed, and references checked. In the run up to the launch of the new brand, the team began interviewing the initial pool of potential employees. Some were drawn from the old CEI list and others through campaigns in each of the targeted communities. Interviews have become a blockage in the system, forcing the team to introduce a downscaled interview sheet in order to reduce the contact time. More extensive interviews will be conducted only when candidates show potential beyond the low skilled jobs where there is an oversupply of labour.

Work seekers are required to fill out an application form providing contact details, education and employment history. The form also requires applicants to sign off that they understand that Work Now does not employ them, may not be able to find them work, that any work found is done at their own risk, that they live in Hout Bay and, finally, give permission for Work Now to run reference and security checks, if required. A standard interview format was developed and the managing directors interviewed all the candidates themselves. A copy of the record sheet used in the interview process is attached as an annexure.

An interesting question asked in each interview is: “What is the dream you have for your life?” This allows the interviewer to identify the candidate’s hopes and aspirations and try to match these with a career path. As project director Tania explained, one candidate was looking for a cleaning job. However, in the course of the interview, it emerged that she was an orphan and had a particular interest and gift with children. Tania was able to redirect the work seeker into a child minder post where she has grown from strengthen to strength. Both project directors commented on the importance of the interview process as the first forum where work seekers are validated, affirmed and given a “pearl” to kick start the growth of their confidence.

Once interviewed, a file was opened for each work seeker and reference checks conducted and included in the file. This provided the Work Now team with a good starting point to recommend or direct work seekers. A scan of the files revealed that often work seekers provide referees who have no memory of them, suggesting they do not understand the importance of references.

Work Now has a glut of gardeners and domestic workers on its list of job seekers, while there are only a handful of skilled tradesmen. “We have a vast pool of labour but a real lack of trained workers;” explains Bownes. Many of the work seekers are keen to be trained but

cannot afford the money to pay for training or to give up the possibility of much needed cash while in training.

Placement service

Once on the Work Now database, the organisation's mission is to source work for its work seekers. As Ronald Bownes, the other project director explained in an initial interview: "Our goal is to provide every person on the database with a work experience. Initially, it might be a day, then a week and, hopefully, over time, full time secure work."

Work Now has developed a database of corporate clients in the valley, spanning established firms like Woolworths, Nando's and Steers, through to individual households. With the Board and directors all living in Hout Bay, networks have been used to leverage job opportunities. The network also extends to events held by corporate organisations, like Vodacom, in the area and positioning the organisation to manage the coast care beach clean up programme.

Box 3: Work Now's partnership with Nando's

When Work Now heard a rumour that Nando's would be opening a franchise in Hout Bay, they contacted the manager and introduced the programme to him. Consequently, Nando's used Work Now to recruit its workforce for the Hout Bay shop. Twenty-two people participated in the day long interview, which included tests, role plays and work group. Nine lucky candidates were selected to work for Nandos, adding nine more people to the list of workers, rather than work seekers.

Work Now follows up placements and adds a comment from the employer to each person's file as part of building up their profile. All files are kept manually and forms and systems have been developed on the job. There are plans to shift this to a computerised system.

Each work seeker who is secured work is given a form detailing their responsibilities. This includes arriving on time, being neat and presentable, being prepared to work eight hours and informing them that Work Now does not charge a commission and that the employer will pay them directly.

Employers are also requested to fill out a form, or the person taking the enquiry does that on their behalf, with details of what job is being offered. For employers, Work Now also provides a suggested wage per job category. The Work Now website provides an overview of employers' responsibilities and refers them to the Department of Labour website.

Work Now offers employers a choice of services: matching someone to meet your needs or preparation of a short list of possible candidates to be interviewed for the post. The focus on partnerships with a range of business has been a critical component of the success of Work Now. Partnerships have been forged with the list of businesses, as identified in Box 4.

Box 4: Work Now's business partnerships

- Barksole
- Chapman's Peak Hotel
- Corn Dogs
- Delicious Deliveries
- Engel Volker's Realty

- Gartner Africa
- Jimmy's Killer Prawns
- Ladybird Gardens
- Llandudno Civic Association
- Matt Mercer Estates
- Medi Spa
- Mike Rigg Construction
- Montessori School
- Mozart Ice Cream
- Nando's
- Rotary International
- Seeff Properties
- Woolworths
- Steers
- Sport n Surf Building
- St Elmo's
- Vodacom

The service often does not stop with placement. After placement, Work Now follows up its clients and has often been drawn into providing work place support as part of the aftercare service. For example, many of the workers placed do not have experience of an employer-employee relationship, and have not made the shift to being a full time employee. Ronald comments: "People do some strange things." One worker placed at Woolworths in a supervisor trainee post had registered for a computer course prior to securing the job. A few days into the job, he just did not arrive for work (he had gone off to the course, not wanting to waste the deposit) and had not explained why to his boss. Had it not been for the mediation efforts of Ronald, he would have lost his job. "This is part of the empowerment process and training in work readiness skills."

An ability to converse in English is a key asset to a job seeker in a place like Hout Bay; many potential work seekers lacking basic English skills are not able to be placed.

WHY EMPLOYERS USE THE SERVICE

For employers, Work Now offers a one-stop shop of a short list of screened candidates, thereby reducing the recruitment nightmare. For Lydia Hassett, Work Now provides a pool of ready workers that she can tap into when she needs unskilled or semi-skilled jobs done. Engel & Volkers used Work Now for administrative type posts in the past but were less happy that the right candidates existed in the pool for this type of work. For corporate organisations, like Woolworths or Steers, Work Now provides a service that sources local labour for posts, in addition to a screening service that identifies possible talent. Steers Fast Food in Hout Bay has used Work Now to source front desk and kitchen staff and has been very happy with the quality of staff provided, with 80% of those recruited still in the posts six months down the line. For Steers, which does not advertise posts at the bottom end, Work

Now has reduced the time it takes to recruit and fill posts. Asked if they would pay for the service, Steers indicated that their budget would not enable them to pay much for the service. For individuals, like Donne Descroizilles, Work Now provides credibility. "It is reassuring to hire Timothy through Work Now.... You feel as if you have some protection or recourse if things go wrong." In addition, Work Now provides an information base for local residents interested in employing local people to perform odd jobs or to fill permanent or part-time jobs. As one employer commented: "It makes it so easy. You just call Work Now and next thing you have someone to do the job."

IMPACT AND PERCEPTIONS

Work Now has interviewed and processed 915 work seekers. Of these, 204 have dropped off or are not contactable. Of the remaining 711, 464 were placed in full or part time work between January and September 2007. This translates into a placement rate of 65%.

The bulk of placements have been domestic staff (32%), building trades (20%) and retail sales personnel (19%). However, they have also placed eight office managers, eight seamstresses and 18 bakery staff.

Table 9: Number of people employed by skills category (2007)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Childcare assistant	31. 4	32. 4	33. 4	34. 4	35. 4	36. 6	37. 6	38. 6	39. 6	40. 1
Domestic cleaning	41. 3 7	42. 3 2	43. 3 2	44. 3 9	45. 3 5	46. 3 7	47. 3 0	48. 3 4	49. 3 2	50. 3 3
Domestic housekeeper	51. 2	52. 2	53. 2	54. 2	55. 2	56. 2	57. 2	58. 4	59. 4	60. 4
Environment clean-up	61. 3 3	62.	63.	64.	65. 6	66. 6	67. 6	68. 1 6	69. 6	70. 3 0
Event marshals	71.	72.	73. 1 9	74. 7	75.	76.	77. 2 1	78.	79.	80.
Fast good	81. 6	82. 4	83. 1 4	84. 1 4	85. 1 4	86. 1 4	87. 1 4	88. 1 8	89. 2 4	90. 3 4
Office admin / secretary / reception	91. 4	92. 4	93. 6	94. 7	95. 7	96. 7	97. 7	98. 7	99. 7	100. 7
Restaurant waitron	101.	102. 2	103. 2	104. 2	105. 2	106. 2	107. 2	108. 4	109. 6	110. 1
Restaurant kitchen	111.	112. 2	113. 2	114. 2	115. 3	116. 3	117. 3	118. 5	119. 5	120. 1
Retail bakery	121.	122.	123. 3	124. 3	125. 3	126. 3	127. 3	128. 3	129. 3	130. 3
Retail cashier / sales	131. 6	132. 6	133. 9	134. 9	135. 9	136. 1 3	137. 1 3	138. 1 3	139. 1 3	140. 1 3
Retail administration	141.	142.	143. 2	144. 2	145. 2	146. 2	147. 2	148. 3	149. 3	150. 3

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Retail assistant	151.8	152.8	153.12	154.13	155.14	156.15	157.15	158.15	159.15	160.15
Seamstresses	161.	162.	163.	164.	165.2	166.2	167.2	168.2	169.2	170.2
Semi-professional	171.1	172.1	173.1	174.1	175.2	176.3	177.3	178.3	179.3	180.3
Gardener	181.7	182.10	183.6	184.12	185.16	186.14	187.12	188.18	189.22	190.15
Building carpenter	191.	192.1	193.2	194.1	195.2	196.1	197.1	198.4	199.	200.
Building labour	201.13	202.24	203.15	204.18	205.26	206.20	207.15	208.23	209.25	210.16
Building tradesman	211.	212.7	213.6	214.11	215.21	216.7	217.10	218.11	219.7	220.1
Caretaker / handyman	221.2	222.1	223.3	224.3	225.1	226.1	227.1	228.2	229.2	230.1
Security	231.	232.	233.	234.	235.6	236.2	237.2	238.4	239.2	240.1
Total employed	241.123	242.108	243.140	244.150	245.177	246.160	247.170	248.195	249.187	250.198

Using an average income of R130 per day per worker placed, Work Now has facilitated just under R2.5m in wages, earned through the 18,982 days of paid work secured. Using a lower figure of R100 per day, Work Now has leveraged R1.8m into the community in wages. Either way, the organisations has had a significant impact in a community which has over 40% unemployment.

The organisation has exceeded its targets by over 70% and improved performance since 2006 when just 4,839 days of work were secured. Thirty-three percent of placements have been for part-time work and 67% in full time work. Fifty-seven percent of placements have been for female workers and the remainder for males.

Over 100 businesses have used the services of Work Now. Over 95% of clients were satisfied with the service provided, according to Work Now's internal records. Several firms, such as Woolworths and Steers, have been so happy with the service that they now have a long term relationship with Work Now to do all their recruitment in Hout Bay.

For every one Rand invested in Work Now, the organisation is able to generate between R11 and R14 (depending on the average wage paid) in investment back into the community through wages leveraged. Each work day generated costs the organisation R9. Work Now, therefore, costs less than 10% of the income generated back into the community.

ASSESSMENT

People have been the key to Work Now's success: its Board, its directors, its front office staff. The model is very people-focused with lots of direct contact time demanded.

Work Now started out small and has been focused in its work. Consequently, it has been able to give attention to the development of systems, initially, all manual. Record-keeping has been a priority and each work seeker has a file with a clear record of the recruitment

interview, reference checks, placements and comments from employers. This, along with other excellent administrative systems and record keeping, has been a critical success factor. The team has been able to keep track of the number of people placed, the wages leveraged, and the cost of the service. This focus on cost effectiveness has made Work Now a very efficient player in the market.

The location of the office on the edge of Imizamo Yethu has made Work Now very accessible to its primary community. The office also services Hangberg. Some concern around access for these members of the community has been raised.

The model works well in a community where rich and poor live side by side and the model is very reliant on volunteers, networks and the goodwill of community members for marketing. It is also the close proximity of poor members of the community that encourages people to offer someone a job, rather than do the work themselves. Finding local champions in each new locality could be a possible constraint to the future success of an expanded Work Now.

A key weakness with the Work Now service is the dominance of English. All forms are printed in English, interviews are conducted in English, and all communication is in English. This excludes those who do not have language skills. In addition, the current interview format and the lack of trained people to conduct the interviews successfully is a blockage.

There is a tension between volume (numbers) and that of a personalised service. In the CEI days, the organisation went for volumes. In the initial Work Now experience, the focus has been on the personalised service. However, pressure from work seekers has forced the organisation to downscale some of this personalised contact in favour of numbers. Getting this balance right is no easy task.

LESSONS AND ISSUES

A number of lessons can be extracted from the Work Now experience for others considering entry into the employment intermediation field. These are:

- A key strength of the Work Now service is its focus on recruiting and placing work seekers. This has allowed the team to develop an efficient system.
- Success depends on the passion and drive of the champions. Work Now has been fortunate to have had the passion of its founder, Graeme Graham-Parker, and then the passion of Ronald and Tania Bownes and the current Board.
- The personality of the interviewer or person at the front desk is an important determinant of the quality of the service. In the Work Now experience, interviewing candidates is not everyone's skill, as the team discovered. You need people with good communication, listening and relationship bridging skills, and with an ability to see opportunities for matching.
- Interviews with work seekers are the key to understanding their strengths and directing them to the most appropriate work opportunities. A key lesson from Work Now is the advantage of having skilled interviewers who are able to see beyond the skills offered. The inclusion of a question on the work seeker's dreams assists in this process which adds value but is also resource intensive.
- Being based in a tight knit community, relationships and networks are everything. Relationships are developed over time and the Work Now team have put a lot of time and energy into building links with businesses in the area.
- Often it is the absence of bridging capital and marketing skills which inhibit work seekers from securing employment. Employment intermediation services provide this.

- There is a huge demand for the service, with requests for advice and mentoring support received from a number of other areas.
- The Work Now model is as cost effective as it is because of the large volunteer contribution from its Board and directors who are paid very little given the time and energy they devote to the organisation, the free marketing by local media and the networks.
- Administrative and record keeping systems are important. Work Now has successfully developed good, robust, simple manual systems. This has enabled it to package information for different audiences, go back and update records, etc. Good record-keeping systems help organisations monitor and measure the impact of the service. They also enable more individualised tracking and services to be developed over time.
- Barriers to entry: All the personnel interviewed at Work Now, and those in other NGO employment intermediation services, concurred that the biggest barriers to entry into the job market are English language skills and communication and conflict management skills. These are skills they would like to impart to all members. Work seekers who cannot speak English are not able to communicate with many of the employers, thus reducing their options of work. In Work Now, over 200 work seekers have not been able to be placed because of this barrier. When a worker secures work, many of the problems arise because of communication problems. A worker may need to take a day off but does not have the skills to approach his/her employer to negotiate for this. Often, they end up taking the day without permission, thereby placing their jobs at risk. Similarly, skills in dealing with authority, standing up for your rights and managing conflict increase a work seekers chance of remaining in a job.
- Training: Work Now does not provide training, yet it recognises that for many of its work seekers, a lack of skills in areas of market demand is the key constraint to finding secure employment. There is an oversupply of gardening and domestic skills and an undersupply of trade related skills. In addition to the work related skills, Work Now has also identified a range of life skills work seekers would benefit from like basic financial and language skills.
- Networking: Work Now has worked closely with the Department of Social Development, one of its key funders. This has assisted it to grow the service. Similar partnerships with the Expanded Public Works Programme, Department of Labour and SETAs could really benefit the organisation. While several meetings have been held with EPWP, for example, no partnership has yet been concretised. For the Department of Social Development contact person, the ideal would be a cluster on the ground where NGOs, like Work Now, could work with an EPWP office or job centre.
- Possible areas for collaboration: There are aspects of Work Now that would benefit from a national resource. These include the design and management of the computerised database, the list of work opportunities, partnerships with other government services and marketing.
- Employment advice: A key need, one to which Work Now does not feel it can respond, is that of an employment advice office.
- Database: Work Now experience is that unless a database is personalised, it is not very useful in securing work. This was the key lesson from CEI.

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www.tfsr.org

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ANNEXURES

Annexure 1: Interviewees

Interviewee's names	Interviewee's position / role
Department of Labour	
Mr Thobile Lamati	Provincial Executive Manager, Department of Labour, Western Cape
Mr Marten Leukes	Manager: Employment and Skills Development Services, Department of Labour, Western Cape
Mr Mervyn Silber	Managing Director, Industries Education and Training Institute
Mr Len Penfold	Marketing and Operations, Industries Education and Training Institute
Ms Venessa Cupido	Manager: Labour Market Information Statistics and Planning, Department of Labour, Western Cape
Ms Laurita de Jesus	Assistant Manager, Administration: Employment Services, Department of Labour, Western Cape
Ms Priscilla Davids	Regional Manager. Services SETA
Mr Ngubo Lubuwana	Cape Town Labour Centre Regional Manager
EPWP	
Mr Gribbles	Western Cape Dept of Transport and Public Work
Ms S Laattoe	Western Cape Dept of Transport and Public Works
Two service providers who requested not to be named	
Ekurhuleni JPP	
Ms Phindile Mnisi	Benoni Local Labour Centre
A representative from Vericon	
TEBA	
Kevin Cotterell	Head of Mine Services, TEBA Head Office
Anneri	Chief Communications Officer, TEBA Head Office

Interviewee's names	Interviewee's position / role
Pieterse	
Tando Nthlapo	TEBA Head Office
Ernest Mntungwa	Regional Coordinator Eastern Cape
Jeanne van Stalduinen and Ettienne Cloete	Phokeng Office North West
Bushy Going	Carltonville Office North West
Hennie Mulder	Human Resources Supervisor, Goldfields
Anton Barnard	Anton Barnard Labour Services
Steven Bosch	HR Manager AngloGold Ashanti
Labour brokers	
Various labour brokers who all spoke on condition of anonymity	
Men on the Side of the Road	
Peter Kratz	Director
Mrs Hawson	Employer
Mr Welgemoed	Employer
Mr Vuyisile Mofu	Field worker
Mr Anthony Marshall- Smith	Board chair
Sipfele Sontundu	Employed member
Xolani Mnyakana	New member
George	Self employed member

Interviewee's names	Interviewee's position / role
Mosebetsi	
Zakelele Mogumbe	New member
Work Now	
Eunice Sutaste	Work seeker
Erin Boonzaaier	Work seeker
Thandokazi Dumoyi	Work seeker
Berenice Lucas	Department of Social Development
Ronald Bownes	Work Now
Tania Bownes	Work Now
Jeremy Rich	Work Now
Michelle Ndatyulwa	Work seeker
Lyndiwe Ndatyulwa	Work seeker
Timothy Kamanya	Work seeker
Trevor Loyilani	Work seeker
Lydia Hassett	Engel and Volker, employer
Chanique Viljoen	Steers, employer

Annexure 2: TEBA Ltd's database application form



TEBA Limited

LABOUR PLACEMENT WORKSEEKER DATABASE APPLICATION FORM

Tel:
Fax:

Form: 0000/2008/27828

PERSONAL DETAILS		EDUCATION / QUALIFICATIONS AND EXPERIENCE				
(Please fill in words on lines & mark applicable boxes with an 'X')		ABET	Grade	Grade	Grade	Grade
			3 - 7	8 - 10	10 - 12	12 with M&S
		Date Passed (DDMMYYYY)				
1.1 Surname:		2.1 Please tick the box which corresponds to your qualification				Date Passed (DDMMYYYY)
1.2 First Names:		Blasting Certificate				
1.3 Date of Birth:		OR OR OR				
1.4 Are you a South African Citizen?	Y <input type="checkbox"/> N <input type="checkbox"/>	Loco Driver Diesel Electric Battery				
1.5 ID/PP No.		Start End Company				
(If South African Please use Identity Number)		Develop RDO (TUNNEL)				
Industry No.		Stope RDO (MASIDE)				
1.6 Ethnic Group	African <input type="checkbox"/> White <input type="checkbox"/> Coloured <input type="checkbox"/> Asian <input type="checkbox"/> Other <input type="checkbox"/>	Support Driller				
1.7 Gender:	Male <input type="checkbox"/> Female <input type="checkbox"/>	Winch Operator				
Home Language:		Loader Operator				
Can you Speak English?	Y <input type="checkbox"/> N <input type="checkbox"/>	Team Leader				
Other Languages?		PTV				
1.8 Address		Timber Support				
Original Home Address:		Onsetter				
		Other				
Code:		2.2 Do you have previous mining experience?				
Contact Address:		U/G S/O N				
		2.3 Attached TEBA Record of Service? Y N				
Code:		2.4 CV attached? Y N				
1.9 District/Locality:		2.5 Certified qualifications attached? Y N				
2.1.10 Phone numbers where we can contact you(mandatory)		2.6 Reason for Discharge				
(3 if possible):		2.7 Medical Exit Last Mine Y N				
		2.8 Retrenchment Letter Y N				
		2.9 Certified copy of ID/PP Y N				

DECLARATION

I declare that all the above information is to the best of my knowledge fair and correct. I acknowledge that any inaccuracies in filling out the form could result in my application not being processed. I will keep TEBA updated of any changes or updates to the above information and acknowledge that any record, which is not updated within a period of 3 years, will be discarded.

I acknowledge that this application form in no way guarantees me of employment - it is to make myself available for any employment opportunities that may arise.

APPLICANT	DATE	PLACE
For Office Use Only	Rating: (1 OR 0)	
	Previous Service	PRI: 1 Good
	Health	2 Average
	Qualification: Mining	3 Poor
	Tertiary	
Captured by:	English	
	Matric	Total

Annexure 3: Summary of Lewisham Employment Intermediation Models

'Opening Doors' programme

Opening Doors is a service for Lewisham residents aged 16 and over. The aim of the programme is to improve the skills and employability of Lewisham residents by equipping them with job search skills and the confidence to secure employment. The target market is residents who are committed to finding work.

The services offered include:

- Confidential, impartial careers information, advice and guidance
- Advice on writing CVs
- Support with making applications and preparing for interview
- Access to job search resources, including the Internet
- Links to Jobnet, the job brokerage team
- Free accredited training and assistance with travel and childcare is also offered.

All Lewisham residents (aged 16+) are able to receive information and advice on learning and work from one of the Information and Advice Workers at the Centres.

Source: <http://www.lewisham.gov.uk/JobsandCareers/EmploymentAdviceTraining>

Learning and Work Advice Centre

The Learning and Work Advice Centre is intended as an accessible facility offering local residents advice and guidance on all aspects of education and training for employment. It was established in partnership with the University of East London, Barking College, London East Advice Partnership, Connexions, the London Borough of Barking and Dagenham and the London Development Agency through Heart of Thames Gateway regeneration agency London Riverside Ltd.

The aim of the Centre, open six days a week, is to help local people access the education and training to realise their potential and take advantage of current and future employment opportunities within the developing Thames Gateway.

The services at the Centre include: information and advice on a range of employment, education, training opportunities, customised training and work placements.

Source: http://www.uel.ac.uk/news/latest_news/stories/learning.htm

JOBNET

One of the core facilities of the Thames Gateway Project is JOBNET, an employment brokerage service set up by the London Development Agency through London Riverside Ltd to reduce unemployment, help businesses and tackle the difficulties local employers face in recruiting and retaining suitable staff. Partner agencies include Jobcentre Plus, Thurrock Council, the London Borough of Havering, the London Borough of Barking and Dagenham, the Learning Villages, gateway to industry and the integrated Guidance Network.

Source: http://www.uel.ac.uk/news/latest_news/stories/learning.htm

Lone Parents to Work

A Local Public Service Agreement (LPSA) exists between the Lewisham Council and the Government to increase the number of lone parents by 243 into employment between 2005 and 2008. A partnership has been forged with the Opening Doors and Job Centre projects, which has included specific interventions by mentors and guidance workers.

Such an intervention is the Opening Doors 'Choices' project, which provides confidence building, group work and one to one intervention. When the lone parents are ready they are referred to Jobnet and work tasters are offered. Lone parents also have access to book keeping, customer services training and construction training. Childcare and travel costs are also available to lone parents.

Source: LAA Economic Development and Enterprise Board Minutes, 26 June 2006

Lewisham Local Labour Scheme

The Lewisham Local Labour Scheme will support both the construction and non construction phases of development in Lewisham as part of the Thames Gateway project (see project info below). The Local Labour Scheme will work with the Planning Department in the preparation of agreements linked to Lewisham site developments. The purpose is to ensure that local employment and training benefits are generated from emerging developments along with opportunities for local small businesses to gain sub contracts. It is intended that all new site developments will include a requirement to recruit local labour for both the construction and post-construction phases of development.

Source: LAA Economic Development and Enterprise Board Minutes, 26 June 2006

Thames Gateway Project

The Thames Gateway project brings together plans and proposals across the entire London City region and combines them into an interim regeneration plan. The key components are:

- Economic and employment opportunities in the key transformational locations as well as in town centres and in key regeneration areas;
- Housing opportunities to accommodate the region's growing workforce and improve conditions for current residents;
- Environmental opportunities through the creation of the Thames gateway Parklands and new approaches to addressing climate change; and
- Community opportunities through investment in education and training, better quality public services and support for inclusive communities.

Lewisham is located on the south western edge of the London Thames gateway. The borough suffers from disproportionately high levels of deprivation, including high unemployment, poor quality housing and low levels of literacy and numeracy. The regeneration of Lewisham will benefit local residents by creating new employment opportunities, offering more high-quality homes and providing an improved environment.

Source: Thames Gateway Development Prospectus

Lewisham College City Bound Programme

Lewisham College has piloted a new approach to training for work. It uses job descriptions for entry-level administration posts to create training programmes to prepare suitable clients for work. The job descriptions are current and have been obtained from the large city firms. The pilot programmes have shown that starting with employers' needs and working backwards through course design and delivery to the prospective employee is effective.

The aim of the City-Bound programme is to equip clients with the hard, soft and basic skills required to secure jobs currently available within the large organisations in London. The hard skills development includes: document formatting and processing, business letter layout, directory/file management, electronic diary management, Internet use, Excel, Powerpoint and Access. Soft skills development includes: personal development planning,

career mapping, communication skills, confidence building and self esteem, conflict management, presentation skills, team building, assertiveness skills, developing a CV, stress management, time and project management, customer care, dress for success and personal interview skills.

The clients attend a pre-employment work placement, which gives them the opportunity to put skills learned on the course into practice as well as testing their general attitude to work. The pre-employment placements are with one of the college's public sector partners, for example the Local Authority or Community Health Trust.

If all the elements of the programme are successfully completed, the client's Curriculum Vitae and covering letter is sent to an appropriate employer. The employers review all the CVs and indicate which clients they wish to interview. The internship covers a period of employment that lasts 16 weeks. During this period the client is employed by the college and the college charges the employer an agency fee. At the end of the 16-weeks period, the employer will decide if they wish to offer the intern a permanent position. Clients have access to a coaching/mentoring service whilst they are on the programme. Each week additional support is available to clients who allow them to improve their use of business English or numbers.

Progress is assessed throughout the programme and includes the volume and quality of the work that is produced, punctuality, attendance, attitude and dress. If for any reason clients do not reach the internship stage, they will be given the opportunity to apply for other vacancies, which the college has access to through its Virtual Personnel department and via a direct link with the Employment Service database.

Source: <http://www.parliament.the-stationery-office.co.uk/pa/cm200001/cmselect/-cmeduemp>

Job Centres

There are 21 Jobcentres in the South and South East London Districts, which include Lewisham. Trained tutors are available in the Centres to provide guidance and advice to people finding work.

The target groups for the programme are ethnic minority groups, ex-offenders, incapacity benefit customers and lone parents. In Lewisham, job opportunities have been identified in the: retail, customer service, administration, warehousing, hospitality and security sectors.

Lewisham National Health Service Placement and Training Programme – Volunteers in Partnership

The Volunteers in Partnership scheme was set up to assist the unemployed to develop their skills to get a job or qualification and to prevent them from remaining or moving into long term unemployment. First hand workplace experience is offered to volunteers who gain experience in the workplace such as communication and administration. The aim is to provide the volunteers on the programme with guidance and support to assist them with their job searches and advice about the availability of suitable training courses. The volunteers are able to improve their confidence and self awareness and thereby improve their employability.

Volunteers on the programme work a minimum of three hours each week at the hospital helping out the hospital staff with patient care. The scheme is funded by the European Social Fund and Job Centre Plus.

Source: <http://www.lewisham.nhs.uk/buildstory.php?story=lewis20031211>

Annexure 4: TEBA's prices of services

(with indicative discounts if volumes can be achieved)	Full price	Volume discount	Net price
LSA Out of Service	251.940.15	252.188.03	253.752.12
Recruiting: Novice RSA	254.170.48	255.34.10	256.136.39
Recruiting: Experienced RSA	257.143.30	258.28.66	259.114.64
Recruiting: Novice Foreign	260.475.61	261.95.12	262.380.49
Recruiting: Experienced Foreign	263.286.34	264.57.27	265.229.07
Re-Engagements: Foreign / Nme Phase 1	266.100.02	267.20.00	268.80.02
Re-Engagements: RSA (Phase 1)	269.31.59	270.6.32	271.25.27
Re-Engagements: Phase 2	272.51.65	273.10.33	274.41.32
Re-Engagements: Phase 3	275.28.56	276.5.71	277.22.85
Legalise Foreigner	278.88.53	279.17.71	280.70.83
Terminally Ill	281.6,661.67	282.1,332.33	283.5,329.33
Bi Certificate: Issue	284.109.67	285.21.93	286.87.74
Bi Certificate: Cancel	287.61.08	288.12.22	289.48.86
Screening	290.136.83	291.27.37	292.109.46
Industry Card: TEBA	293.52.93	294.10.59	295.42.35
Industry Card: Smart	296.73.08	297.14.62	298.58.46
Death Reporting: At Home (Family)	299.1,346.10	300.269.22	301.1,076.88
Death Reporting: On Mine	302.1,275.34	303.255.07	304.1,020.27
Death Reporting: Fatal Accident	305.3,404.54	306.680.91	307.2,723.63
Deferred Pay	308.37.79	309.7.56	310.30.23
Deferred Pay: Remittances	311.61.58	312.12.32	313.49.26
Messages: From Home	314.143.02	315.28.60	316.114.42
Messages: From Mine	317.574.10	318.114.82	319.459.28
Biometrics: Verification	320.0.87	321.0.17	322.0.70
Biometrics: Take-On	323.68.23	324.13.65	325.54.58
Record Of Service: Manual	326.212.76	327.42.55	328.170.21
Record Of Service: Electronic	329.92.07	330.18.41	331.73.66
Educational Funds: Initiation	332.1,038.98	333.207.80	334.831.19
Educational Funds: Maintenance	335.118.13	336.23.63	337.94.50
Ad Hoc Tracing	338.1,183.25	339.236.65	340.946.60
Verification of Education Certificates	341.1,191.92	342.238.38	343.953.54

Annexure 5: MSR's list of donors

A list of all MSR donors, drawn from its website, as of December 2007, include the following organisations and individuals:

- Ackerman Pick n Pay Foundation
- Anglo-American chairman's fund
- Adele Searll Trust
- Barloworld - Plascon
- BP Southern Africa
- Brait foundation
- British American Tobacco
- Builder's Warehouse
- De Beers Fund
- Department of Social Development (Western Cape)
- Department of Social Development (Northern Cape)
- Department of Social Development (KwaZulu-Natal)
- Echoing Green
- Eskom Foundation
- First Rand
- Golden Arrow Foundation
- Holcim
- Inca
- Liberty Foundation
- May and Stanley Charitable Trust
- National Department of Social Development
- Nedbank Foundation
- Old Mutual Foundation
- Quaker services
- South African Breweries
- Supergroup
- Stichting Liberty
- Township Trust
- Tswane Municipality
- Region 11 Johannesburg
- The D.G. Murray Trust
- The Global Fund for Children

Annexure 6: MSR's membership recruitment form

MASIPHUMELELE
MEMBERSHIP REGISTRATION FORM

DATE:	REFERENCE NO:
-------	---------------

SITE / SHELTER: Fieldworker.....

NAME: CONTACT NO:.....

ADDRESS: AREA.....

DATE OF BIRTH:/...../..... ID NUMBER:

SKILLS TRAINING/JOB PLACEMENT ASSESSMENT

DRIVERS LICENCE: YES CODE _____ LEARNER'S PERMIT
 SOME DRIVING EXPERIENCE

COMPUTER SKILLS: Y N

SCHOOLING PRIMARY.....SECONDARY.....
(Indicate grade)
POSTSCHOOL.....

WORK EXPERIENCE
(Indicate 1, 2 and 3)

- BRICKLAYER CARPENTER GARDENER OFFICE
 PLASTERER ELECTRICIAN DOMESTIC FACTORY
 PAINTING WAREHOUSE LABOURER SHOP
 TILER OTHER.....

LAST JOB DATE: LAST JOB CONTACT

CRIMINAL RECORD Y N MARRIED: Y N

COMMON LAW MARRIAGE NO IN HOUSEHOLD

TRAINING REQUEST:

NOTES

.....
.....
.....

Annexure 7: Work Now's interview sheet

WORKNOW! INTERVIEW GRADING SHEET				
NAME :	DATE :	INTERVIEWER:		
Punctual :				
Interview * Introduce yourself & the WorkNow! programme * Go through the detail on the application form thoroughly * Obtain reference telephone numbers where possible				
Preferred skills categories	Choice 1	Choice 2	Choice 3	
Experience in this category: high ; average; low				
Recommended skills categories	Choice 1	Choice 2	Choice 3	
Experience in this category: high ; average; low				
Are you currently working? (Supply details)				
If Artisan : own tools? / transport?				
If Domestic : live - in? / childminding? / cooking?				
What words would you use if you had to write your own reference to describe yourself as a person & how you work?				
What are your interests outside work?				
What is the dream you have for your life?				
Health /any history of illness? /physical appearance				
Summary Grading				
	Poor	Average	Good	Comments
Appearance / self presentation				
Enthusiasm / passion / positive attitude				
Self managing / self confident				
Other?				
Overall ability to communicate at interview				
	Poor	Average	Good	Comments
English language - understand / speak?				
Are there any considerations / negatives?				
Suitability for WorkNow! Programme	Yes	No	Comments	
Action to be taken by office manager (Check refs / collect missing documents etc)				

OVERVIEW OF RESEARCH

The review of second economy programmes: An overview for the Presidency's fifteen year review – Kate Philip and E Hassen

Addressing inequality and economic marginalisation: A strategic framework – Kate Philip

Inequality and economic marginalisation

Inequality, unemployment and poverty in South Africa – Fiona Tregenna and Mfanafuthi Tsela

Income and non-income inequality in post-apartheid South Africa: What are the drivers and possible policy interventions? – Haroon Borhat, Carlene van der Westhuizen and Toughedah Jacobs (DPRU)

How the structure of the economy impacts on opportunities on the margins – Kate Philip

Asset inequality – Ebrahim-Khalil Hassen

Economic development strategies

Energy-based poverty indicators: Meeting AsgiSA targets – Claire Vermaak, Marcel Kohler and Bruce Rhodes

The fisheries sector – Expanding economic opportunities through regulatory change – Feike

Potential for a South African aquaculture industry on the Northern Cape's Namaqualand Coast – Feike

Labour markets

Employment intermediation for unskilled and low-skilled work seekers Part 1: Overview – NB Ideas, with Strategies for Change and Indego Consulting

Employment intermediation for unskilled and low-skilled work seekers Part 11: Case studies – NB Ideas with Strategies for Change and Indego Consulting

Local labour placement project: Overstrand Municipality – Overstrand Municipality

Understanding inequality: Promoting equity – Paul Benjamin and Nicole Yazbek

Identifying appropriate interventions to support the transition from schooling to the workplace – Miriam Altman (HSRC) and Carmel Marock (Singizi Consulting)

Small enterprise development and the informal sector

Missing the target: Business support to the second economy – Lochner Marais

Hands-on Fish Farmers Cooperative Ltd: A case study – Jacqui Boule

Business health check: Western Cape Bus Operators' Transport Cooperative Ltd (Siyakhula) – Karen Harrison

Clothing traders in Gauteng: Motivations, barriers and macroeconomic linkages – CSID

Linking small and marginalised producers to external markets: New ideas for demand-side measures using value chain analysis – Sandy Lowitt

Linking small marginalised producers to modern markets: Are we trying to fit a square peg in a round hole? – Sandy Lowitt

Mediating from the margins: The role of intermediaries in facilitating participation in formal markets by poor producers and users – Marlese von Broembsen

Rural sector

Making markets work for people and the environment: Employment creation from payment for eco-systems services – James Blignaut, Christo Marais, Mathieu Rouget, Myles Mander, Jane Turpie, Thami Klassen and Guy Preston

Strategies to support South African smallholders as a contribution to government's second economy strategy Volume 1: Situation analysis, fieldwork findings, and main conclusions – PLAAS

Strategies to support South African smallholders as a contribution to government's second economy strategy Volume 2: Case studies – PLAAS

Review of the Eastern Cape's Siyakhula/Massive maize project – Norma Tregurtha

Urban development

Creating access to economic opportunities in small and medium-sized towns – Doreen Atkinson (for Urban LandMark)

The state of land use management in South Africa – Sarah Charlton (for Urban LandMark)

Emergency relief in informal settlements: Proposals for action – Mark Misselhorn and Tanya Zack (for Urban LandMark)

Transport and the urban poor – Mathetha Mokonyama (for Urban LandMark)

Strengthening the impacts of economic development strategies on urban poverty – Glen Robbins (for Urban LandMark)

Access to services for poor people in urban areas – CSIR (for Urban LandMark)

Development of the urban development component for a second economy strategy: Overview analysis – Urban LandMark

How tenure security can increase access to economic opportunities for poor people – Lauren Royston (for Urban LandMark)

Challenges of inclusive cities: Making urban spaces and places for all – Nisa Mammon, Kathryn Ewing and Jody Patterson (for Urban Landmark)

Governance and governability: What are the challenges for an inclusive city – Monty Narsoo (for Urban Landmark)

THIS RESEARCH IS AVAILABLE ON THE TIPS WEBSITE

www.tips.org.za