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# Employed and Unemployed Artisans: A Conceptual Framework

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# Employed and Unemployed Artisans: A Conceptual Framework

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## 1. Project initiation

The idea behind this project emanates from DHET discussions with the South African Artisans Council (now the South African Artisan Movement), an organisation formed by artisans who have been unable to find employment. A meeting took place on 12 June 2019 and the Round Table was held on 16 August 2019.

The SA Artisan Movement is challenging the narrative that there is a shortage of artisans in South Africa, whilst policy research and policies, including the NDP indicate a serious shortage which has informed a generally accepted target for the production of 30 000 artisans per year.

Whilst there is **agreement that the need for increased artisan development** is important, there is substantial **disagreement about the scale and nature of demand** for these skills. Whilst there is **agreement on fostering and growing the systems of artisan skills production**, there is a **lack clarity about which of the artisan trades is in short supply**. Policy makers cannot answer critical questions such as: How many artisans are needed? in which areas? at which levels? and in which configurations within differentiated workplaces?

This project has therefore been initiated to look at the issues of the supply and demand of artisans in the country, and to begin to unpack the reasons why research would suggest on the one hand that we need more artisans, and certain organisations are telling us, on the other hand, that we have enough artisans for certain artisanal trades and many are unemployed.

The objectives of the project are therefore to:

- a. Engage with the two competing narratives wherein one narrative suggests the need to produce more artisans, and the other suggesting that there are more unemployed artisans in the country;
- b. Assess whether there is a shortage of artisans in the country;
- c. Consider implications of the research for policy and its implementation;
- d. Identify research gaps in relation to artisans; and
- e. Consider possible solutions and recommendations in relation to the production of 30 000 artisans per year in line with the NDP target.

## 2. Project scope and approach

### Background and problem statement

Two brain-storming sessions were arranged and various approaches were discussed. The following reflects the outcome of the discussions.

- The NDP sets a target of producing 30 000 artisans a year by 2030. This is from a low base of around 5-6000 in 2006. Currently the number achieving artisan status each year is over 19 000 (DHET, 2020)<sup>1</sup>
- Huge capacity has been developed for the training of artisans, and unlike many NDP targets, the 30 000 target could be achieved.
- However, there have been a number of concerns raised. Some unemployed artisans have organised themselves and have made the case that there is an over-supply. Some

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<sup>1</sup> DHET. 2020 (Statistics on Post-School Education and Training:2018)

of the SETAs are also reporting that employers are training more artisans than they need for themselves.

- There is evidence from a number of evaluations that the many of those obtaining their trade test do not find immediate employment.
- The impact of the current COVID-19 pandemic and associated economic crisis is difficult to measure at this stage, but there are a number of predictions of very large job losses in the main industries where artisans are employed – metal and engineering and construction. There could well be large scale retrenchments of artisans as well as a major change in the demand for artisans within the economy.
- At the same time, consideration needs to be given to government’s forthcoming economic recovery plan, which is expected to focus on infrastructure development, which, in turn, is expected to attract the employment of many more artisans (see also Finance minister last mini budget speech which referred to infrastructure development)
- A number of trends pre-COVID-19, could be accelerated. These include casualisation, reductions in “core” staff and contracting in of skilled workers as they are needed, and changes related to mechanisation and the 4IR.
- One of the challenges in researching artisans is that many changes have been taking place in both the way that artisans are trained and the environment within which they obtain employment and earn an income. There is a growing number of people who obtain a part trade and use that to gain entry into semi-skilled occupations. Some go on to obtain the trade certificate via ARPL.
- There is also some evidence that employers faced with difficult economic conditions prefer to appoint unskilled or semi-skilled people and train them in the specific skills they need rather than train them to a full trade with the bargaining council pay rates that apply.
- In addition there is a lot of informal skills development linked to the informal economy.
- Because the number of apprenticeship places are limited, many wanting to gain a trade start with shorter programmes such as the N2 or N3 at a TVET college. The QCTO is responding to this challenge by developing skills programmes that can also be called “modules of employable skills” and so there will be many emerging from colleges and providers with part of a trade but not a full trade qualification after having passed a trade test.
- In the context of the COVID19 shut down, and the expected loss of jobs there is the possibility that this tension between part-qualified and fully qualified artisans will grow in importance when considering supply and demand for artisans.

On the basis of the above, it was agreed that the scope of this project should include “artisanal” skills and programmes and not just focus on those who have the full artisan trade. The COVID-19 crisis will affect artisan and part-artisan/semi-skilled employment trends in the labour market and the research process offers an important and timely opportunity to evaluate the expected change in artisanal employment trends.

### **3. Research questions**

The department has set out a number of high-level research questions that during the preparatory discussions were developed further. There are five focal areas for the research. In each focal area there are a set of questions that need to be answered.

### **Focal area 1: The policy and legal framework**

- What is the policy, legal and regulatory framework for artisans (*and artisan related development (supply side) and work*)?
- How are standards set for the trades? Examination of framework of standards, including ISO, Professional Bodies and/or Associations, Red Seal etc and their role in supply and demand globally, including registration and certification.
- How does policy and legislation define key terms and concepts such as: artisan; trade; artisanal skills; artisanal programmes; apprentice; apprenticeship etc. Are these definitions consistent and are they still appropriate? Is there a need to amend legislation or regulations?
- Framework to analyse supply and demand of artisans.

### **Focal area 2: Trends and patterns of employed and unemployed artisans**

- How many artisans are employed in South Africa? (This will need to be categorised within formal and informal sectors)
- What are the trends and patterns of such employment over the last 10 years?
- How many artisans (qualified in terms of passing the trade test) are unemployed in South Africa?
- What are the trends and patterns of such unemployment over the last 10 years?
- Disaggregation: LFS SIC sectors and SETA sectors; OFO; Digit level 1, 2 and 4; race; age; education level; gender; disability, nationality; province; formal and informal.
- Check trends, increasing/decreasing (versus formal and informal) and mismatches (between education level and occupation and see OECD report on mismatches in SA)..
- Check effect of COVID-19 on artisanal work and increasing/decreasing trends.
- Investigate the attitude of employers toward the employment of qualified artisans versus persons with artisanal skills (not fully qualified), and reasons thereof.
- Emigration and immigration of qualified artisans. Need to explore which trades are in demand globally and whether there is economic benefit for South Africa from that.
- Assess extent of emigration and immigration of artisans.
- Assess replacement demand among artisans (emigration, retirement, mortality)

### **Focal area 3: current shortages**

- Is there a shortage of artisans currently? If so, which ones, and why? This will give a high level indication of whether a shortage seems to exist or not. OIHD and CSL indicators will be used to measure shortage
- Is there a shortage of artisanal skills in SA? If so, what kinds of skills? Why is there a shortage of such skills? What needs to be done to address these skills gaps/shortages?
- To what extent is there a demand for artisans currently?
- What is the supply (pipeline) of artisans?

### **Focal area 4: Future shortages**

- Will there be a shortage of artisans in South Africa in the next five years? Why?
- Which specific artisans are expected to be in shortage, in about 5 years? Why?
- To what extent is there a shortage to be expected?
- Impact of collapse of steel industry, Acelor Mital; MacSteel etc, in Mpumalanga, Saldanha etc. including impact of COVID-19
- Impact of restructuring and decline in mining and manufacturing. Also motor manufacturers, including impact of the COVID-19 shutdown.
- Impact of planned government infrastructure programme on demand for artisans

### **Focal area 5: challenges**

- What are the challenges in relation to the Impact of the 4<sup>th</sup> Industrial Revolution and COVID-19 on Artisans and Artisanal work and what can be done to address them?
- What are the challenges in relation to an ageing workforce and programmes designed with age limits on Artisans (and artisanal work) and what can be done to address them?
- What are the challenges in relation to the Link between education and job markets on Artisans (and artisanal work) and what can be done to address them?
- What are the challenges that are emerging from the COVID-19 economic lockdown across the country and the world.
- How incentive systems are working and influencing artisan production (tax benefits; SETA grants, various incentives offered by provinces, IDZs, etc) – and what are the challenges in the implementation of such schemes?
- How policy initiatives such as JIPSA/HRDC and SIPs/COS and the NDP have driven supply and whether qualified artisans were absorbed in the industries intended.
- Unintended consequences of centrally driven expansion linked to an NDP target (if applicable).
- What are the challenges in relation to the Support for new and existing businesses on Artisans and what are your recommendations?
- What contribution is being made by Informal artisan development and ARPL?
- Currently the policy regime favours apprenticeships to be hosted by big companies. How can policy be amended to facilitate apprenticeships in SMMEs?
- How can the E & T system be geared to be more effective and efficient in the training of good quality artisans? (pathways to becoming an artisan, new QCTO model for artisan qualifications; training models etc
- Is it correct for policy to focus only on fully qualified artisans? Is there also demand for part-qualified or semi-skilled workers that could be met by shorter programmes? (research also to address those who have obtained “Modules of employable skills”/skills programmes)
- Are the occupations listed/declared as trades in the government gazette appropriate? Are there any occupations that need to be included/removed from this list? If so, why?
- Are the qualifications being developed by the QCTO those that are needed in the current context and to meet future demand? Can the research help the QCTO with its planning?

## **4. Methodology and data sources**

A number of methodologies were discussed in relation to the project. This included desk research, data analysis, stakeholder interviews, a tracer study and a public appeal for information. After much discussion it was agreed to defer any further tracer work, or public appeal until a later date. These could be recommendations if the desk research and data analysis identify the need. The approach to this project will be to focus on available data and information and a limited number of stakeholder interviews, mainly focused on obtaining qualitative inputs that will enable the desk research and data analysis findings to be explained and context provided.

The following sets out the data and data sources that have been identified for each focal area.

#### **4.1. The policy and legal framework**

This will be mainly desk research, setting out the framework that informs artisan development strategy. Documentation to be examined includes:

- MPA, SDA etc
- The gazetted list of trades and any other documents from Chief Directorate National Artisan Development (INDLELA) that includes AD, Trade Testing/ARPL, NAMB and WSSA
- Draft Gazette on registration of artisans and comments received from stakeholders
- 7 Steps and artisan development strategy Gazette 2019;
- White Paper on PSET and draft NPPSET
- QCTO docs (e.g. Policy sub-framework for occupational qualifications), and
- SAQA and non SAQA list of Professional Bodies and Associations and their policies (IOPSA, ECA etc)

Some stakeholder interviews will include questions related to the adequacy and/or gaps and weaknesses in the policy and legal framework.

#### **4.2. Trends and patterns of employed and unemployment of artisans**

This will be addressed by a combination of desk research and data analysis. Desk research will be done to establish what has been found in previous research or tracer studies. Data will be collected and analysed to try and understand the extent to which supply has been addressing, and responding effectively, to demand. The following data will be sourced and analysed:

- QLFS (seek assistance from Derek Yu),
- DHET artisan survey and database. NADSC Director, Fumane Mboweni) to obtain data from surveys and explore the work of their call centre; there will be an engagement with the NADSC team to clarify exactly what is available. It is probably quite comprehensive data from 2014/15.
- SETMIS and TVETMIS provider data
- Qualitative literature.
- MERSETA and other SETAs (CHIETA, MQA, CETA) research studies;
- DEL ESSA data base;
- UIF database;
- LMIP report on migration to identify existing available information as well as available data sources;
- Reports of ILO and OECD; and
- NBI (Anthony Gewer) Installation, Repair and Maintenance Initiative

There is a need to explore NADSC and whether there has been tracing done and what they show in terms of trends. Need copies of the surveys. Also the BankSETA-funded Tracer conducted by Mike Rogan.

#### **4.3. Current shortages**

Having established the trends and patterns that have emerged from the research in Focal Area 2, there will be a specific focus on the current, post-COVID-19, demand for artisans. In particular there will be a process of disaggregation of the data. For example there will be an attempt to disaggregate QLFS data into SIC sectors and SETA sectors. This might not be fully achievable, but in the context of sectors that employ large numbers of artisans there may be some disaggregation. It may also be possible to organise the data by OFO codes to digit- levels 1, 2 and 4; also present the data by race; gender; disability, nationality; province.

Data sources include:

- Mike Rogan's data from career junction and DEL Job Opportunity Index;
- findings from WSP/ATR (DPRU LMI report) ;
- SETAs, Scarce Skills lists;
- Data from indicators used in the development of OIHD and CSL and LPO

- Report on SETA interviews with employers;
- PIVOTAL Skills Lists, qualitative literature;
- SSPs; and
- Industry bodies .

#### **4.4. Future shortages**

It is going to be very difficult to extend trends analysis from the pre-COVID-19 period into the future. There will be a need to explore what the trends were, what the impact of the lockdown has been, and what the expectations are in industries employing artisans. The following will be examined:

- DNA/Sybil's work on demand based on strategic priorities;
- Projections through the tool to be developed by DNA Economics as part of the LMIP project,;
- National and international Literature review: for example, 17 Economic Master Plans; Ebrahim's reports on national and provincial govt strategies; OECD reports; ILO reports on skills supply and demand (the literature could provide context re the drivers of future shortages ; and
- Emerging COVID-19 labour market and socio economic survey results from the public and private sector as well as international trends from UNESCO, UNEVOC, ILO and GAN.

#### **4.5. Challenges**

The literature review and desk research will identify challenges in a number of areas. This section of the report will use data from the various sources listed in 4.1-4.4 and present them under a number of different headings. These will include: policy and legislation; strategy and planning; research, data and information on artisan development; research data and information on artisan demand; the incentives framework; Skills system and TVET system; career development services and communication of supply and demand; and funding.

### **5. Project phases**

It is proposed to organise the research into a number of phases:

#### **Phase 1: Inception**

This report is the culmination of the inception phase. It is proposed that some weeks are allowed for the report to be discussed and amended, so that there is complete agreement on the focus, scope and methodology.

#### **Phase 2: Data gathering and quality checks**

The biggest challenge in this project will be to obtain data from all the different sources, that is in a format that is usable for the different purposes and analyses that will need to be done. For example, summaries of the data will not work. We need access to the original data. Also it is impossible to remove duplicates if there are not ID numbers. It will be necessary to compare the data on trade test passes with the data on work seekers held in DEL on the ESSA database. This requires either names or IDs, and ideally both. The POPI Act can create challenges, and although it is possible to provide data without identifying individuals, this can result in the data not being useful.

At the project meeting on 4 June it was agreed that the data requirements would be set out in a table, indicating the purpose of the data, the possible challenges, and assistance requested from DHET. This table has been produced and is attached to this report as an annexure. The



table can be used as a checklist to record whether the data has been obtained and whether it is in the required format. It is proposed not to move to the third phase of the project until the data gathering process has been completed and signed off by the steering committee.

It is important that the research team work closely with the NADSC team at Indlela, and with Mike and DPRU to understand what currently available data can provide and its scope and limitations. It is requested that a meeting is convened with the LMIP, DHET (NADSC + NAMB) and the QCTO manager engaged in data analysis to confirm where assistance can be provided, lessons learned, or data shared.

Engagements be held with relevant data managers. For supply side data (SETMIS and NAMB), Nthabiseng, Brian and Lennox, NAMB data management person, and QCTO. For demand side data, DNA, Morne, Ebrahim, DHA (applications for immigration), author of LMI migration report (for emigration data). For imbalances: DEL, Mike (Tracer study bank seta study). For linking NAMB data with ESSA database, there will be an engagement with NAMB and DEL data managers.

If there is a common understanding of the importance of this research to the work of all the mentioned departments, then a collaborative approach might be possible that saves a great deal of time and effort.

### **Phase 3: Desk research and data analysis**

The work in this phase will be to bring data together from different sources (LFS, NASDC, the SETAs, ESSA, QCTO, UIF, NAMB, artisan registers, emerging COVID-19 survey data related to labour market and artisanal work where relevant), clean it and organize it to answer the research questions.

There will also be a review of all available reports and tracer studies that have been conducted.

### **Phase 4: Key informant interviews**

Before embarking on interviews it will be important to examine the SSPs of the SETAs where artisan demand is located. It will be a requirement of the SSPs developed in 2020 for the post 2021 period, that the impact of COVID-19 and on supply and demand is documented and used to adjust SETA strategy. There should be in all SSPs findings from stakeholder engagements in each sector which can be made use of and referenced.

The main purpose of stakeholder interviews is to obtain qualitative input on the research questions that cannot be answered fully from the data, or to provide explanations for some of the findings from the data. The following stakeholders will be contacted for interview.

- International – OECD and ILO. GIZ;
- SA: DHET (Skills, TVET, Indlela, NSF, SETAs); DTI, DSBD; DEL. UIF; SEDA; Employer bodies and employers (Seifsa, MBA, Busa etc); organisations representing unemployed artisans; selected employers; trade unions. Professional bodies and associations
- Surveys/tracer studies – particularly the one conducted by Rhodes University with funding from Bank SETA.

### **Phase 5: Report writing and consultation**

The final phase of the report will be to bring the findings from the previous phases together into a report structured in line with the five focal areas and the agreed research questions. The

draft report will be discussed by the key stakeholders, feedback provided, and a final report will be submitted.