

Pathways out of poverty:

Linking micro strategies with macro frameworks

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While structural poverty, inequality and unemployment are South Africa's most pressing challenges, the varied landscapes of economic insecurity provide several points of entry for response strategies. This paper explores Jobstart and Zankhanyo, two micro initiatives that were established in the Cape Metropolitan area under the aegis of a faith-based economic development programme. Using these as case studies, we ask how such micro initiatives link up with the government's macro policy framework to address poverty and unemployment.

Informed by empirically based evidence and national trends, the National Planning Commission and other bodies engage with the complex challenges that influence the life chances of poor people. Yet these statistical indicators tell us very little about what is happening in poor households. It is crucial to establish the extent to which initiatives on the ground are able to translate poverty-centred policy approaches into welfare-enhancing development strategies.

Jobstart and Zankhanyo are vocational training projects initiated and co-ordinated by the economic and development programme of Catholic Welfare and Development. The aim of this paper is not to provide an evaluative study of the projects, but to identify lessons of experience from such micro initiatives in the context of macro policy processes related to poverty and unemployment.

POVERTY, FREEDOM AND CAPABILITIES

According to Amartya Sen's *Development as Freedom* (1999), poverty is best understood as the absence of freedom to achieve the essentials for life, including wage employment, functional education, healthcare, food and protective security. The expansion of freedoms is seen as both the end and the means of development. The capabilities approach to poverty reduction (Dreze and Sen 1996) shifts the emphasis of study from aggregate measures of wellbeing to individual wellbeing, and to the lives that individuals have reason to choose and to value.



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From a social policy perspective, complex interactions along a number of dimensions pose difficulties for both measuring poverty and identifying strategies would best lead to its reduction. For example, improving education also increases awareness of AIDS, improves economic livelihoods and empowers people to develop their political voice. Improved health security improves livelihoods through increased productivity, and also increases school attendance for teachers and students (Sen, 1999). Empirical investigation of these relationships enhances our understanding of how to alleviate poverty and ensure livelihood security (Taylor, 2008).

In South Africa, race, gender and spatial inequalities combine with labour market failures, economic recessions and low educational outcomes to limit people's abilities to move out of poverty. In the Western Cape, with a population of approximately 5.5 million, the population growth rate of 2.6 percent (double the national average, due to migration) has considerable impact on poverty and unemployment.



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The province's unemployment rate of 18 percent is lower than Gauteng's 25 percent, but this masks racial differences and inequalities among the unemployed. A breakdown of the economically active population shows that 41.5 percent of black people, 22 percent of coloured people and 6.8 percent of white people are unemployed. Three out of every 100 black people who enter the labour market are likely to find a job, compared to 92 out of 100 for white people (Western Cape Department of Social Services and Poverty Alleviation, 2005).

In line with national trends, the province has a high youth population, with 29 percent between the ages of 15 and 29 years. Nationally, 80 percent of unemployed people are between 14 and 35 years. There is a huge mismatch between the needs of the labour market and the capabilities and skills of school leavers. Youth unemployment and poverty exacerbate social problems such as substance abuse, gang-related violence and crime and the abuse of women and children.

Steady economic growth in the Western Cape has done little to increase job opportunities for the poorest sectors of the population. With a shift in employment patterns from manufacturing to services and construction, opportunities for job creation are dominated by growth in the tourism industry (Western Cape, 2006).

Micro-level initiatives have emerged to provide a lifeline to the poor and unemployed in the province. Although the challenges of responding to structural poverty and unemployment seem daunting at a national level, these initiatives provide insight into the barriers experienced on the ground, and much can be gained by analysing what is happening here.

TWO MICRO INITIATIVES

Catholic Welfare and Development (CWD) is a faith-based non-profit organisation (NPO). CWD's approach has a social justice perspective, and its programmes aim to improve poor people's access to opportunities and conditions that can improve their lives. Its economic development focus area (Ecodev) has two skills training programmes, Jobstart and Zankhanyo, to improve the employability of youth and women in specific sectors of the job market in Cape Town.

Jobstart Training Centre was established in 1996 in response to increasing poverty and unemployment resulting from the decline of the clothing and textile industry in Cape Town. The programme provides professional and relevant entry-level training in hospitality and entrepreneurship skills, aiming to secure job placements for trainees on graduation within the tourism and hospitality sectors.

Zankhanyo ("the bringer of light") Home Management Training Centre has been training

unemployed women since 1998, and has managed to secure employment for a large percentage of them. The centre is located in Harare, Khayelitsha. The centre's support staff and trainers are recruited from within the community, and community representatives sit on the advisory committee and participate in decision-making. Over the years, CWD has designed ways to involve participants in decision-making and implementation processes. This links well with the work of development theorists such as Rist (1999), who describes Julius Nyerere's efforts to involve the people of Tanzania in their own development through ujamaa villages.

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Eighty-five percent of women who benefit from Zankhanyo training are migrants from the rural Eastern Cape, who came to Cape Town in search of a better life but lack the skills and experience to find employment. Migration does not necessarily address inequalities of opportunity, and those who experience structural poverty and unemployment require special attention. Integrated social and economic development planning is critical for dealing with unequal conditions and lack of social infrastructure.

As Sen (1999) confirms, the process of development is crucially influenced by interconnections between economic facilities, political freedoms, social opportunities, transparency guarantees and protective security. As promoters of micro-development, non-governmental organisations (NGOs) play a vital role in poverty reduction strategies. Among their many positive features is their ability to relate to individual beneficiaries and the strategies they can draw on to ensure their participation, their freedom to organise themselves, and their ability to mobilise the poor (Davids, 2010). Jobstart and Zankhanyo demonstrate many of these features.



POLICY AND LEGISLATIVE FRAMEWORKS

Numerous policies, legislative acts and programmes have been formulated to respond to poverty, unemployment and skills deficits since the democratic government came into power in 1994. The South African Constitution of 1996 provides the overarching framework within which policies and legislation are drafted. The National Youth Policy of 2009 reinforces the need for integrated social and economic interventions from the public sector, private sector and civil society for the development and economic inclusion of youth. The National Youth Development Agency Act of 2008 is another significant national policy initiative.

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Micro initiatives like Jobstart and Zanokhanyo have to comply with the Skills Development Act of 1998. The Act aims to develop the skills of the South African workforce, to increase investment in education and training in the labour market, and to increase the return on investment. Importantly, the Act proposes to use the workplace as an active learning environment to provide opportunities for new entrants to the labour market and to improve the employment prospects of previously disadvantaged workers through training and education. It establishes sector education and training authorities (SETAs) and provides for grants for partners who meet the criteria to offer skills training.

As providers of learning programmes that culminate in specified National Qualification Framework standards, Jobstart and Zanokhanyo are also required to comply with the South African Qualifications Authority Act of 1995. They need a quality management system (QMS), which is a formal framework of defined policies and procedures that describes how the skills training centre conducts its business. To be accredited by SETA, centres need to have a QMS and

be equipped with all the requirements, such as safety provisions and accredited training staff.

These regulations are complex, time-consuming and administratively expensive for small training centres. Zanokhanyo and Jobstart struggle with the technical requirements, the need for skilled staff to maintain the electronic database and bureaucratic procedures that are hard to interpret. The trainers need to be able to provide acceptable content, assess and moderate, and examine outcomes against specified criteria. Funding for the necessary staff is not readily available. The design and production of training manuals is also not cheap. For Jobstart, this cost was over R100 000. The people who use these programmes cannot pay high registration or tuition fees.

When resources are scarce, one needs to plan economically so that the available resources can yield the greatest satisfaction. Every November, Jobstart and Zanokhanyo conduct internal review and planning processes, followed by budgeting for the year ahead. Once the budget is approved by the organisation’s management and leadership, implementation starts at the beginning of the new year. Every three months, a quarterly review is conducted and reported to the management for evaluation and planning.

JOBSTART AND ZANOKHANYO TRAINING CENTRES

Jobstart Training Centre trains South Africans and non-South Africans (asylum-seekers, refugees and foreign learners with study permits). The upper age limit for intake is 45, but most who enrol are youth, aged 18 to 35, who have reached at least grade 9 and are able to read and write basic English. Training runs for 12 weeks. All learners attend one week each of basic English communication and life-skills, and then four weeks specialising in assistant chef training, food preparation, housekeeping, food and drink service, entrepreneurship or commercial cleaning. They are sent to partnering businesses for five weeks’ on-site training, and the last week is for assessment.

Since 1996, Jobstart has trained about 7 300 learners: approximately 6 400 in Cape Town, 800 from rural areas of the Western Cape via mobile facilities, and 100 in Johannesburg. Approximately 4 380 reported that they had found employment in various sectors, but some learners did not provide feedback and other have started their own small businesses. More than 50 percent of those hired are still employed. Since its inception, Jobstart’s operational and capital costs are estimated at R36.5 million.

Profiles and post-placement interviews confirm that household members were supported from contributions made by those in waged work. There is a considerable multiplier effect in the communities as well through increased levels of consumption. The programme’s annual survey also indicates that women



report increased decision-making power within their homes and their communities.

At Zanokhanyo, learners are between 25 and 50 years old – the majority are 25 to 29 – and have at least grade 7 but no tertiary qualification. To enrol, they must be unemployed and have dependents (children or other family members). Their home management course covers cleaning, laundry and cooking skills and takes seven weeks, including the two weeks of life skills and basic English.

Since 1998, the centre has trained 2 440 women and placed 80 percent of them into sustainable jobs, at a cost of R13.4 million. Eighty-five percent of the women were supporting two children, 35 percent also supported two additional dependents, and 47 percent had a husband who was not working. All these household members benefit directly from the income of the working mother.

PATHWAYS OUT OF POVERTY

Qualitative improvements in the capabilities of the trainees are not only reflected in job placement and their ability to earn an income. Many share stories about how their training has contributed to the improvement of their standard of living. The confidence and self-esteem gained through training and work improves participants' capacity to care for themselves and their children. As one participant states:

I am a single mother, supporting my child alone... My cousin encouraged me to register at Jobstart but I did not have the registration fee. So, lucky enough, Greater Good South Africa sponsored me. After training, I stayed only for two months then I applied for a post in Table View. I am happily working and I am now managing to look after my child.

Another describes how vocational training can lead to further development:

When I finished [food service] training, I started working and saw my dream to finance my university studies begin to materialise. In 2007, I enrolled for an undergraduate course and in 2012 I'm pursuing my master's degree. I just want to say that people should never underestimate the power of a skills training centre such as Jobstart.

While education has an obvious instrumental value, it also has intrinsic value. The ability to make choices and use opportunities, even limited ones, demonstrates the role of human development in securing livelihoods. The enhancement of individual skills has also led to improvements in household relations and engagements with wider community processes. A regular income enables those who have been on training to do various things that they could not do previously. Such agency is crucial in promoting active participation and building development from below.



When measured against the extent of poverty and unemployment in the region, the number of trainees who graduate from these centres may not seem significant. However, it highlights the possibilities of making an impact if such micro initiatives can be scaled up.

FACING LIMITATIONS

The impact of these small anti-poverty initiatives is limited by many factors – organisational, administrative, regulatory and social – but maintaining a secure financial base is especially critical. As international donors cut back on their support, programmes run by faith-based and other NPOs face a precarious future. Some donors have now added funding conditions that are not in line with CWD's objectives and have affected their operations. The centres partner with the private sector in three ways: funding (previous funding has come from Greater Good South Africa and Murray & Roberts), work placements for trainees, and the provision of free specialised training. Without funding from the government and private sector, it is difficult for these initiatives to continue and to accommodate the increasing demand.

However, there is currently no government funding for Jobstart and Zanokhanyo, not even from the SETAs. (They were once funded by the Sustainable Livelihood Programme in the Western Cape department of social development, but that programme has ended.) The government has focused on FET (further education and training) colleges to the detriment of the NGO-run centres that support poor and vulnerable people who do not attend colleges, but require special attention to change their socio-economic situation. The high standard, commitment and involvement that are reflected at the national policy level should also be seen at micro level if massive poverty reduction and job creation is to be realised.

In order to comply with the laudable requirements



of the Skills Development Act and SAQA, the centres need capable and qualified staff. Due to the funding crisis, staff members are leaving for greener pastures, leaving the skills training centres in crisis. The productivity of the remaining staff suffers as there is too much work to handle. Funders are looking for quantity, and the centres try to satisfy them by maintaining the number of the people trained, although the training is necessarily of a lower quality. At the end, it is the learners who lose.

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LESSONS OF EXPERIENCE IN MACRO-MICRO LINKAGES

National and provincial policies and strategies are “pushing against an open door”, with few direct links to micro initiatives. Bureaucracy and regulation restrict links with the services SETAs, as the low- to medium-level skills provided by these centres do not easily match up with the established qualifications framework. The buildings, equipment and other training facilities are funded by international donors and maintained by CWD. Funding from government is not forthcoming.

It is important that partnerships to promote skills development for the services industry be built on trust and confidence between community members, donors and employers. These programmes supply labour to service industries based on market trends. In order for this to be sustainable, new partnerships to be developed with government labour and education departments, FET institutions and SETAs to expand the targets and maintain skills development and job placements.

At the same time, the freedom of managers to both design and manage and their ability to innovate, experiment, modify and test new ideas helps development programmes to succeed (Rondinelli, 1993). This is the case with Jobstart and Zankhanyo programmes. Partnerships with well-known

hospitality institutions also give them a competitive advantage when placing their graduates.

SOME CONCLUSIONS

Various factors influence the success of these micro initiatives, including the on-going engagement with University of Cape Town social development students who collaborate in the evaluation and assessment of programme outcomes. The reviews allow for appropriate changes to respond to learners' needs and the demand for workers in the hospitality sector.

The Jobstart and Zankhanyo case studies show that poor individuals are finding pathways out of poverty and unemployment. These two skills training centres use pro-poor approaches at micro level and link with other development strategies to give people the building blocks for economic and social inclusion. Such initiatives demonstrate what is possible at the local level. Although there are obvious linkages with macro policy frameworks and regulations, the projects currently operate independently of any financial support from business, provincial and national governments. There could be better linkages and complementarities between businesses in the hospitality sector and the projects that train labour for them. With more financial assistance, less bureaucracy, and enhanced partnerships with government, the private sector and donors, it is possible to bridge the gap between macro policies and implementation at micro level. These two case studies illustrate the exciting possibilities for enhancing capabilities, improving labour participation of poor people and promoting social inclusion using bottom-up processes.

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