

Fact Sheet

University of Stellenbosch

JANUARY '09



Learn to Earn - Helping people at the BOP achieve their full potential

There is a paradox in the South African job market caused by the skills gap. Millions of South Africans are unemployed, and yet there are many thousands of unfilled positions in the economy. The skills gap and its socio-economic consequences is perhaps one of the most damaging legacies of South Africa's past. During apartheid, school boycotts in the black communities, combined with lower education standards and infrastructure, led to a lost generation for the country. Today, the country's educational system, by many measures, is still failing to equip young people with usable skills. Of all income segments, people at the bottom of the pyramid have the lowest employability rate. But some organisations and NGO's in South Africa are trying to fill the gap in South African education and helping to equip people with marketable skills¹.

This factsheet will look at how Learn to Earn, a non-governmental organisation, is addressing that reality and helping people at the lower income segment to acquire skills that enable them to provide an income for themselves and their families.

1. Background: a legacy to overcome with limited resources

Education is arguably one of the fields most ravaged by the apartheid era. For decades, resources were primarily directed at white schools and universities, leaving most black schools and educational facilities with substandard levels of teaching. Not surprisingly, schools became a focal point of resistance against the apartheid state after 1976 and school boycotts further compromised what little teaching was left. A decade and a half of democracy has not yet been able to erase this legacy, and the socio-economic consequences are evident across the country in the form of youth unemployment, crime and poverty.

In South Africa today, an estimated 2.8 million people over the age of 20 have no schooling whatsoever.² Considering how difficult it is, even for many qualified youngsters, to obtain formal employment, this is a staggering number of people whose lack of skills make them unable to contribute their full potential to the economy.

Even if the government is pouring a substantial portion of its budgetary resources into all levels of education (see key figures), the consensus is that the overall quality of education in the country leaves much to be desired. Faced with a shortage of teachers and resources, the state is unable, on its own, to tackle the skills gap.

It is at this juncture that outside NGO's have a role to play, especially in the BOP where the need for acquiring skills is the highest. Learn to Earn is one example of such an organisation, with 20 years of experience in the Western Cape.

Even though the Western Cape is one of South Africa's more affluent provinces, poverty and unemployment are endemic. The unemployment rate varies between 27.8% and 32%, and eight out of ten jobseekers are under the age of 40. Around 12-13% of unemployed people are also illiterate.³

According to figures quoted by Learn to Earn, 32.5% of households in Cape Town fall below the poverty line of R1845/month/household. A household is mostly made up of 7 adults and a number of children.

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1 HARISSON, Rebecca, "Apartheid's legacy haunts SA schools », Mail & Guardian, November 15, 2006.

2 South Africa Survey, 2007-2008, South African Institute of Race Relations, Johannesburg, 2008, p345

3 www.learntoearn.org.za

Key figures

Annual loss of teachers in South Africa:	20,000
Annual gain of new teachers:	6,000
<i>(Source: Mail & Guardian)</i>	
Proportion of South Africans above the age of 20 with no schooling :	10.4%
Education as a proportion of total government expenditure:	
South Africa:	17.6%
Uganda:	18.3%
Mexico:	25.6%
Germany:	9.8%

Source: SAIRR, South Africa Survey 2007/2008

2. Learn to Earn – providing skills to the BOP

• Short history and objectives

Based in Khayelitsha near Cape Town, Learn to Earn was formed in 1989, originally as the Baptist Training Centre. It became Learn to Earn in 1995. Over a period of 20 years, it has trained 8,000 formerly unskilled people in diverse fields, mainly sewing, garment making and carpentry, enabling them to earn a living and support their families.

Learn to Earn has a holistic approach. Its basic philosophy is that training is only part of a basic process of restoring dignity and self-respect to people from disadvantaged communities. It has given its programme an explicitly Christian religious content, and states this as part of its objectives. In this regard, it also liaises with local churches on issues of poverty relief and hunger.

With unemployment rates in the Western Cape ranging between 27.8 % and 32 %, Learn to Earn and similar organisations' contribution to the eradication of poverty and lack of skills is crucial.

• Training programmes and outcomes

Learn to Earn offers training programmes in 6 fields ⁴:

- Sewing
- Woodwork
- Baking
- Business Achievers
- Computer training
- Home Management

Most modules last a few weeks, with some involving training for up to 10 months in the case of computer training. The only basic requirement for all students is that they must be literate. In some instances however, (for example the woodwork programme), students need to have completed a number of years of schooling.

All modules come with Life skills training as well, covering aspects such as self-esteem, conflict resolution, CV writing, and substance abuse awareness courses. Given the reality that on average, students trained at Learn to Earn have not had more than 7 years of schooling, its approach is based on its belief that social issues form part of the root causes of poverty and that training alone is necessary but not sufficient to combat poverty at the Base of the Pyramid.

• Business Resource Centre

The Business Resource Centre was established by Learn to Earn as an additional facility to offer continuous personal development goals to its students and

former students. Its primary objective is to provide assistance for graduates starting their own businesses. It also aims to facilitate business partnerships for Learn to Earn and focuses on entrepreneur development for LtE graduates.

- Offering advice to other NGO's with similar objectives – The LtE Association

Given its success on the ground, Learn to Earn was encouraged to consider expanding and growing into a network of branches all over South Africa and even beyond. It has, instead, decided to opt for a "franchise" type model, allowing other similar-minded organisations to use Learn to Earn's experience yet maintain a very large degree of autonomy. For this reason, it created the Learn to Earn Association, through which its model is replicated.⁵ This association receives many requests for practical assistance and advice from other NGO's in the country.

The learn to earn Association offers tangible assistance to local NGO's, for example in terms of doing "community analyses", mapping poverty and compiling data crucial to determine needs and establish priorities in terms of training. It also helps determine outcomes, corporate governance, curriculum and financial policy. In effect, the Learn to Earn Association acts as an external consultant for local NGO's.

- BBBEE and partnerships with private sector companies

Given the variety of modules that Learn to Earn offers to its target group, it made sense to seek partners in the training fields. The first such partnership was built with a small marketing and advertising company called Amperzand. The idea is for Amperzand's business to provide a gateway into the market place for Learn to Earn's graphic design students, while Amperzand can, through this channel, fulfill some of its obligations under the BBBEE charter.

For Learn to Earn, this type of development holds much promise, as there

4 www.learntoearn.org.za

5 www.learntoearn.org.za

6 South Africa Survey, 2007-2008, p408

7 *ibid.* p 409

are opportunities for growth in areas such as procurement, learnerships, enterprise development and corporate social investment.

4. Conclusion

There is much concern about the general state of education in South Africa, especially in low income areas. According to figures compiled by the Global Campaign for Education, South Africa's education system was ranked behind some countries with far fewer resources, such as Kenya.⁶ Numerous press reports evoke conditions of overcrowding of school classes, violence among pupils, and absenteeism of teachers in many poor areas.⁷ It will take more than just additional funds to tackle these challenges.

While there is no question that the responsibility for education should lie first and foremost with the state, the example of

Learn to Earn demonstrates that there is much room for privately-funded support networks to complement the national educational system and help address imbalances largely inherited from the past, especially when it comes to adult education.

Pierre Coetzer, Reciprocity

Tools and support for the BOP

Our first series of factsheets have focused on a dozen different initiatives by companies to develop and unlock the economic potential at the base of the economic pyramid. Through our first series of factsheets, we have been able to get a glimpse of just how much is already being done by businesses of all sectors to approach the BOP, but also how much more potential still remains to be unlocked. After a dozen case studies, what is striking is not only the diversity of the initiatives; it is also how some issues are common across economic sectors: these include access, training, and developing suitable business models to reach the BOP.

In the present and a number of upcoming factsheets, we propose to approach the BOP from a slightly different angle, and look at the tools that the private sector can provide to unlock economic potential at the BOP. "Tools" in this context are defined as the means through which economic development can be facilitated. This may include hardware and equipment, but also intangibles such as training and consulting services which constitute essential knowledge and intelligence.

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