



Press Release: Unlocking demand for skills and jobs in the township economy

Umfolozi, 6 October 2021- How do we unlock the demand for skills and jobs through the township economy? The answer lies in expanding opportunities for job retention and job growth in Installation, Repair and Maintenance (IRM) enterprises across a range of sectors in the South African economy. This is the purpose behind a new IRM Enterprise and Skills Hub, opening on 6 October in Umfolozi.

Through funding support from the Swiss State Secretariat for Economic Affairs (SECO) and the German Federal Ministry for Economic Cooperation and Development (BMZ), implemented by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) and Sappi Southern Africa (Pty) Ltd, the National Business Initiative (NBI) has partnered with the Umfolozi TVET College to establish an IRM Enterprise and Skills Hub at the Mandeni campus.

IRM roles account for around 2 million jobs (12% of all employment) in the South African economy, of which 736,000 are occupied by young people.¹ Two-thirds of these jobs are in Small and Medium-Sized Enterprises. This IRM Initiative recognises that youth unemployment will not be solved through labour absorption in the formal sector alone, and that township youth in particular face significant barriers in accessing and sustaining employment opportunities. Therefore, it is critical to support and develop township enterprises to grow economic activity and unlock employment.

In anticipation of the opening ceremony of the IRM Hub held at the Mandeni campus, the Swiss Ambassador to South Africa, His Excellency Dr. Nicolas Brühl, emphasised the importance of this initiative: “This project demonstrates how the public and private sector can partner in the development of skills and promotion of vocational education. Switzerland is committed to higher vocational education. The private sector plays a crucial role and with its commitment, South Africans can be trained and acquire the practical skills the companies need. I hope this pilot will be replicated in the rest of the country, so that more SMEs can be supported, and more jobs can be created.”

Also in attendance will be the GIZ’s Country Director for South Africa, Lesotho and eSwatini, Mr Martin Weiss who highlights how strengthening the township economy, utilising instruments that foster the economic inclusion of youth through relevant, employment aligned training and skills development are critical to address youth unemployment. “The Installation, Repair and Maintenance (IRM) approach is a key intervention that contributes to strengthening both the training and skills development as well as the small business ecosystems” says Mr Weiss.

KwaZulu-Natal has been rocked by the recent social unrest which has resulted in massive economic devastation. The combination of an attempted insurrection, huge destruction of economic infrastructure and criminality, combined with the third wave of the pandemic, have left many feeling extremely fearful and vulnerable. The National Business Initiative’s Programme Manager for Social Transformation, Dr Anthony Gewer, highlighted the importance of this opening in light of these events: “The opening of this IRM Hub is an opportunity to rebuild in a way in that ensures long-term job retention and job growth.”

The IRM Initiative operates at the interface between supply and demand, unlocking the demand for skills in these various industries and supporting and enabling public TVET Colleges to respond to this demand through agile and

¹ StatsSA QLFS data, Q4 2018; Harambee analysis



flexible occupational training. The purpose of the Hub is to identify, assess and support local IRM entrepreneurs through an integrated set of services.

IRM students then spend 6-9 months in the IRM enterprise gaining workplace training and mentorship. Following the completion of the workplace training, some of these students will be retained by the enterprises or be supported to find work or be self-employed.

If your company is interested in supporting this innovative and demand driven solution to address both skills development and youth unemployment through growing our Township Economies, please contact the NBI: www.nbi.org.za.

~ENDS~

Note to the Editors

About the National Business Initiative

At the National Business Initiative (NBI), we believe in collective action and collaboration to effect change; building a South African society and economy that is inclusive, resilient, sustainable and based on trust. We are an independent, business movement of around 80 of South Africa's largest companies and institutions committed to the vision of a thriving country and society. The NBI works with our members to enhance their capacity for change, leverage the power of our collective, build trust in the role of business in society, enable action by business to transform society and create investment opportunities.

About the Swiss State Secretariat's (SECO) Economic Development Cooperation

The Swiss State Secretariat's (SECO's) Economic Development Cooperation aims to promote economic growth and sustainable prosperity in its partner countries. Based on Switzerland's international cooperation strategy, the goal of SECO's economic development cooperation is to promote economic growth and sustainable prosperity. SECO's economic and trade policy expertise enables partner countries to shape structural transformation, develop their private sector and integrate into the global economy. Specifically, SECO supports the creation of reliable economic framework conditions and innovative private-sector initiatives in its partner countries. This gives people and companies access to markets and opportunities, creates employment opportunities and offers future perspectives locally. Switzerland through its State Secretariat for Economic Affairs SECO is the 5th largest bilateral donor country in South Africa with a financial envelop of ZAR 750 million for the period of 2021-2024 and implements more than 30 projects to contribute to inclusive economic development.

About the Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ)

The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH is a global service provider in the field of international cooperation for sustainable development and international education work. GIZ has over 50 years of experience in a wide variety of areas, including economic development and employment, energy and the environment, and peace and security. As a public-benefit federal enterprise, GIZ supports the German Government – in particular the Federal Ministry for Economic Cooperation and Development (BMZ) – and many public and private sector clients in around 120 countries in achieving their objectives in international cooperation. GIZ has been in South Africa since 1993, providing technical assistance through the German Development Cooperation and other development partners. We work together with our partners with its partners to develop effective solutions that offer people better prospects and sustainably improve their living conditions.