

Filling the gaps

Ivor Blumenthal is controversial, outspoken and forthright. During his tenure as CEO of Services Seta it has grown to become the largest and one of the most successful such organisations in South Africa. By KERRY DIMMER

In April 2000, sector education and training authorities (Setas) were introduced to South Africa to replace the 30-odd industry training boards.

It was felt that a more formalised and regulated process was needed to ensure the quality of skills training would be of maximum benefit to the unemployed and employees who needed to improve their skills.

Twenty-five industry sectors were identified (now reduced to 23), run by an amalgamation of government, labour and social partners and organised business, and funded by prescribed contributions (1% of payroll) by member businesses.

Originally, the Services Seta had roughly 15 industries in its portfolio. 'It was the rubbish bin Seta,' says Ivor Blumenthal, the Seta's CEO. 'If an industry didn't fit into metal or mining, banking or manufacturing, then it went to the services sector. We spent a lot of time in those early years finding the synergy between all those industries but that's what made us strong. In a sense we were looking for an identity rather than just continuing with one.'

The Services Seta identity was found to lie with, essentially, non-financial, small business services in both artisan and professional sectors. Today it is by far the largest Seta, says Blumenthal, representing 180 000 companies across 37 different industries and affecting 2.5 million employees. 'The beauty of this sector is the economy-of-scale benefit of combining small industries such as beauty, hairdressing or funeral operations with

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larger industries such as real estate, property management and labour recruitment. We can move them all, simultaneously, towards the same objectives such as standardising the national qualifications framework and assessment processes.'

Through 8 000 accredited providers, 45 000 training programmes can be sourced through the Services Seta and over the past five years more than 54 000 people have directly benefited from the grants provided.

'That does not include the in excess of a million people who are accounted for in our workplace skills planning process provided to our member companies,' says Blumenthal.

Impressive as this sounds, the work that the Services Seta does seems largely ignored. In a sense it exists on a foundation of almost unnoticed, unrecognised deeds that collectively contribute to the survival and betterment of ordinary South Africans while helping to improve the unemployment rate. The Ennerdale project is one such case.

A downtrodden and poor community, Ennerdale was endowed by the Federation

of Unions of South Africa (Fedusa) with grants from the Services Seta to provide management and apprentice training. In less than a year there wasn't a family in that community that was left untouched by the 400 people who realised an occupational qualification.

'There were mothers and daughters graduating at the same time and rehabilitated criminals achieving best student awards,' says Blumenthal.

'If ever there was a project not based on greed, power or ownership it was Ennerdale. Fedusa got nothing out of the process, every cent of the grant was spent paying training providers or on transport or translation activities.'

In another Services Seta flagship programme, authorised trainer Siyaya Skills Institute, has been able to grant 900 qualifications to physically and mentally disabled people with 90% of them gaining full-time employment as a result. True value has also been added in the apprenticeship market.

'When we started,' says Blumenthal, 'we only had one apprenticeship programme and that was in hairdressing. But, of the 22 000 Department of Labour



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Every five years, the Seta landscape is reviewed. At the moment, Setas report to the Minister of Labour but that is soon to change and they will be answering to the Minister of Higher Education and Training. This is going to present some problems, Blumenthal believes, as these two departments have never gotten along.

'They've not been on good terms irrespective of what anyone says. This discord is the reason why, if you have an occupational qualification from a Seta, you can't get into a university or college to progress up the academic ladder unless you repeat that same qualification in the academic context,' Blumenthal explains.

'Putting education and the Setas in the same department could mean that universities and public institutions who do not want to acknowledge the hundreds of thousands of occupational qualifications driven by the Setas, will now have to talk to business and trade unions on an equal footing.'

Whatever the reason behind the switch-over, Blumenthal does concede that if the motivation is truly meant to develop an equal relationship between the world of work and the world of education he sees huge opportunities in the future.

But there is one serious dispute that will affect the future of the Setas, and that concerns grant entitlement.

The advantage to member companies in linking to a Seta is that they are entitled to a payback. The first is a mandatory grant, being a percentage that is paid back to a company for training their existing workforce. The second is through a discretionary grant whereby the Seta funds unemployed people who are being skilled and trained for future employment.

'The enticement therefore, is for employers to play an active role in the Setas, but there is talk of doing away with the mandatory grant and increasing the discretionary grant amount that Setas have to work with and that is a real problem,' explains Blumenthal.

'These people who are currently passing legislation and debating regulatory change, don't understand that our mandatory grant vehicle is what gets Setas into the door of the average employer. They are making arbitrary unilateral decisions with no consultation with employers and labour in general. If employers shut their doors because there is no longer an incentive

to them, you will see fewer people in learnerships and fewer people employed, especially during this economic downturn. It's suicidal to even contemplate taking away the mandatory grant at this time.

'The fact is that Setas work – our Seta, for one – is working, but collectively, all the Setas are far more successful at fulfilling their mandates and achieving their targets than any other government structure in this country.' Blumenthal is hopeful, but not convinced, that government will eventually give Setas the recognition they deserve.

'We do not spend money trying to curry favour with politicians, government or the media. Because of that we are sometimes taken to task and heavily criticised, which is suggestive of small business not being taken seriously.'

Despite the negatives and as far as the future is concerned, for now anyway, the Services Seta continues with business as usual. It has already met its 2010 targets which is evidenced by the impact it has had on civil society.

Blumenthal stresses that no matter what, the Services Seta will not rest on its laurels: 'We take our direction from our social partners who govern us. When the reformation under the new minister is finalised, we will determine a new strategy and policy to ensure that we continue to serve this country.' **AD**