

# Ekurhuleni enhances local economy through employment

Since a friendship agreement between Ekurhuleni Metropolitan Municipality near Johannesburg and the London Borough of Lewisham was formalised some five years ago, they have embarked on a varied programme of exchange of best practise on areas covering economic development, accessible services, customer care, governance, human resources and youth engagement. The partners came together as equals, respectful of each other's strengths and expertise, whilst recognising the differences that existed between them.



A prime focus of the Good Practice Scheme project between Ekurhuleni and Lewisham was tackling the high rate of unemployment and providing support for small businesses.

More than 1000 people have been placed in work in Ekurhuleni, and the pilot job brokerage scheme is now being rolled out more widely across the region.

Lewisham is taking a fresh look at its own business support to make it more flexible and responsive in the light of what it has learned from being involved in the South Africa project.

^ Kenny Fick, Provincial Executive Manager (Gauteng), Department for Labour; Malcolm Smith, Executive Director for Regeneration, London Borough of Lewisham; Karuna Mohan, Executive Director for Local Economic Development, Ekurhuleni Metropolitan Municipality; Malusi Kekana, Chief Executive of the Umsobumvu Youth Fund at the project launch.

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## Unemployment legacies

As one of South Africa's six recently created Metros, Ekurhuleni faces vast service delivery and administrative challenges. For almost a century Ekurhuleni was the world's largest producer of gold and Africa's most important industrial agglomeration. With over 8000 industries, 40,000 registered business and a strong manufacturing and industrial base, Ekurhuleni produces some 23% of the gross geographical product for the Gauteng Province.

But the history of South Africa's economic successes have all too often gone hand in hand with a very real and lasting human cost. Of the 88 wards which make up Ekurhuleni, 71 identify poverty alleviation in their Integrated Development Plan (IDP) priority issues. The official unemployment rate stands at 38%, significantly higher than the national average of 29%. With the highest number of informal settlements in the Gauteng province, perhaps nowhere else in the country is the disparity between rich and poor so acutely felt as in Ekurhuleni.

This might seem a long way from the experiences of a London Borough, but Lewisham and the wider Thames Gateway region have experienced a similar decline in local and surrounding industry and, as a result, high levels of unemployment, skills shortages, declining investment and low levels of business competitiveness. It has taken many years for local authorities, public agencies and businesses in the region working together to get to the point where they are today experiencing growth and declining unemployment levels.

The South African Department of Labour (DOL) and Ekurhuleni Municipality share national and local targets around reducing unemployment, improving skills and alleviating poverty. Whilst local labour centers are located within the Metro offering a limited support service to the unemployed, the mandate to deliver employment services rests with the DOL and not local authorities. Ekurhuleni has been working towards developing a joint approach to addressing skill shortages, placing people into work and providing a more effective local employment service.

Lewisham's business economy is made up of micro business and their owners reflect the diversity of the borough where 30% of residents come from diverse ethnic, geographical and cultural backgrounds. Lewisham saw this cultural diversity as a strength and was keen to explore different ways of providing more effective ways of supporting and developing small business that comprise the majority of the local business economy.

With funding from the Commonwealth Local Government Forum's (CLGF) Good Practise Scheme, the Ekurhuleni/Lewisham partnership embarked on a project for, 'Improving the Economy of Ekurhuleni Through Employment'. For the last two years, it has allowed the two authorities to exchange best practise in the areas of employment, skills development and business support.

Ekurhuleni Municipality was interested in the role that UK local authorities play in addressing unemployment and wanted to work with Lewisham to explore how a similar role could be developed in

Ekurhuleni. As the project developed, Ekurhuleni was keen to develop a pilot job brokerage service to provide high quality training and place people into employment. The aim of the pilot was to enable Ekurhuleni's local economic development (LED) department to develop the role of the municipality in bringing together relevant partners and encouraging joint working to improve services to the unemployed and businesses. The outcome framework and methodology could then be used by other councils elsewhere.

Ekurhuleni Metro has a thriving informal economy with numerous small and micro businesses operating in an unregulated way. With a new political environment and a commitment at all levels to uplift local economies and communities, local government in South Africa is having to respond in creative ways to engage with communities in providing business support. Many small businesses lack the capacity, for example, to tender for services that the Metro procures. Working specifically with catering and construction firms to provide procurement support while also working to improve standards, Lewisham was keen to learn from the creative approaches used in Ekurhuleni to engage with communities in providing business support, where local government procurement played an integral role.

## Springboard for learning

As well as sharing its own experiences, Lewisham was also able to use itself as a springboard for introducing Ekurhuleni to other London agencies, such as the Learning and Skills Council, London Development Agency and JobNet, as well as employment schemes in the



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Blewater Shopping Centre in Kent, Stanstead Airport in Essex, the Millennium Peninsula and the Ford Motor Company's Engineering Centre in Dagenham.

The officers from South Africa saw Lewisham and other local authorities in South East London in action working with public and private partners to provide high quality job brokerage services to the unemployed and successfully placing people into work.

Lewisham saw first hand through visits to townships, and seeing the impact of the interventions used by the Municipality, the benefits to micro business of the creative approaches used by the Ekurhuleni LED team which included using local authority procurement as part of the business support package on offer.

Sustainable outcomes were achieved by building on what already existed through

- Gaining agreement from all partners that they were working towards common goals and targets
- Supporting the municipality to enhance existing processes and structures such as the IDP and ward committees to facilitate working links with the a variety of stakeholders, including local businesses to support the sustainability of the pilot.

## Bringing learning back home

One of the key learning points from London was the partnership working by the different types of job brokerage schemes visited in London. Ekurhuleni and the DOL formed a partnership, with the Umsobumvu Youth Fund, a number of Sector Employment Training Authorities (SETAs) and Chambers of Commerce to

implement a joint programme enabling skills development and employment opportunities for work seekers in the area.

A pilot job brokerage service was developed at the Benoni Labour Centre, where work seekers registered as unemployed, placed their CV on a database and accessed skills training in the form of job hunting and interview techniques. These work seekers have been matched and referred to appropriate employment opportunities with employers who have registered with the programme. The pilot has proved successful and a framework has been developed which is currently being rolled out to the greater Ekurhuleni area with plans to use it nationally thereafter. So far at the time of writing almost 1000 people have been placed into work through the scheme.

Ekurhuleni's approach to business support demonstrated to Lewisham that internal mechanisms and procedures can in fact be made more flexible and responsive to the needs of the communities they serve. The South African experience highlighted the fact that the barrier to community empowerment is all too often a lack of understanding of culture on behalf of top-down approaches taken by service providers.

Ekurhuleni's more horizontal approach, targeting hard to reach groups and incorporating this into corporate procurement policies has provided a useful benchmark for business support services and the concepts are being used by Lewisham to:

- Take a fresh look at the way it delivers business support
- To develop an outreach business support service

targeted at specific communities and alongside this a framework for using council procurement processes to develop local business.

There has been a realisation in South Africa of the importance of a unified, "single government" delivery on the commitment to address unemployment and poverty in a tangible and accessible manner. Lewisham in turn is also working to respond more creatively to diversity and challenging cultural dynamics in local service delivery.

The partnership between Lewisham and Ekurhuleni, echoing the attitude of equality and respect between the partners, has evidenced how through GPS partnership working two-way benefit can accrue to both local authorities. As well as addressing unemployment issues in Ekurhuleni, and successfully piloting the job brokerage service, officers from Lewisham were exposed to new ways of working and interacting with local stakeholders which will directly benefit their own work with the local community in Lewisham.





# Ekurhuleni

METROPOLITAN MUNICIPALITY

## Disseminating good practice

As well as successfully completing a Good Practise Scheme project with Lewisham, Ekurhuleni was also the host for the South African part of CLGF's series of dissemination seminars. Held at the Emperor's Palace Convention Centre in Ekurhuleni, and in partnership with the South African Local Government Association (SALGA) the seminar benefited from the involvement of the Department for Provincial & Local Government (DPLG), the Institute of Local Government Managers (ILGM), as well as the attendance of the British High Commissioner to South Africa, the Right Honourable Paul Boateng and the Executive Mayor of Ekurhuleni, Cllr Duma Nkosi.

The dissemination process is one that CLGF has identified as being particularly important for feeding into future work plans and methodologies. As Phase 2 of the GPS comes to an end, and with Phase 3 imminent, it is very important that the lessons from previous partnerships are able to be identified, to learn about and replicate the good practice, and to modify areas where there have been difficulties. It also allows CLGF, and other partners, to see the impact the various projects are having, and to interact with colleagues who are working under the Scheme. In South Africa some of the successes that were identified were:

- The job brokerage system created through the Lewisham/Ekurhuleni partnership has seen the creation of 964 new jobs and a 7.3% rise in employment in manufacturing in the area

- The procurement guidelines and standard operating procedures created as part of the Leeds/eThekweni partnership have been widely recognised across the region, and have been profiled in a number of national fora as examples of best practise
- The Lisburn/Swellendam project has taken on a new project management team who have dealt with some serious setbacks, and have put the project back on course to achieve some significant successes.
- In Nkonkobe, the partnership with Oxfordshire not only achieved everything that was set out at the start of the project, but also additionally created some 300 jobs – many for women – and a waste management expert took the initiative to see that local workers were able to go on work shadowing trips in the UK, leading to the formulation of their own waste management plan.
- Amathole was able to significantly enhance its Regional Economic Development Strategy and its Tourism Master Plan after the exchange visits to and from Glasgow.

The individual project presentations from this, and the other dissemination seminars are available on the Good Practice Scheme section of the CLGF website at [www.gps.clgf.org.uk](http://www.gps.clgf.org.uk).

The project is part of the UK Government Department for International Development (DFID)-funded Commonwealth Local Government Good Practice Scheme, which has been managed by the Commonwealth Local Government Forum, over the past nine years. Local authorities have been working together on a range of practical activities aimed at improving the quality, and impact on people's lives, of local government services in South Africa, India, Ghana and Jamaica.