



RECS NEWSLETTER

February 2017



Knowledge Pele's first newsletter of 2017 seeks to share insights about excluded communities. In particular, we consider how educational status and livelihoods relate. Socio-economic profiles offer critical insight for any business seeking to implement relevant community development programmes.

In the context of local economic development, partnerships are essential to improve economic opportunities available and enable the participation of local people. We also consider the communities' perceptions of a variety of stakeholders who should be taken into account when partnering, planning and implementing development interventions.

BACKGROUND

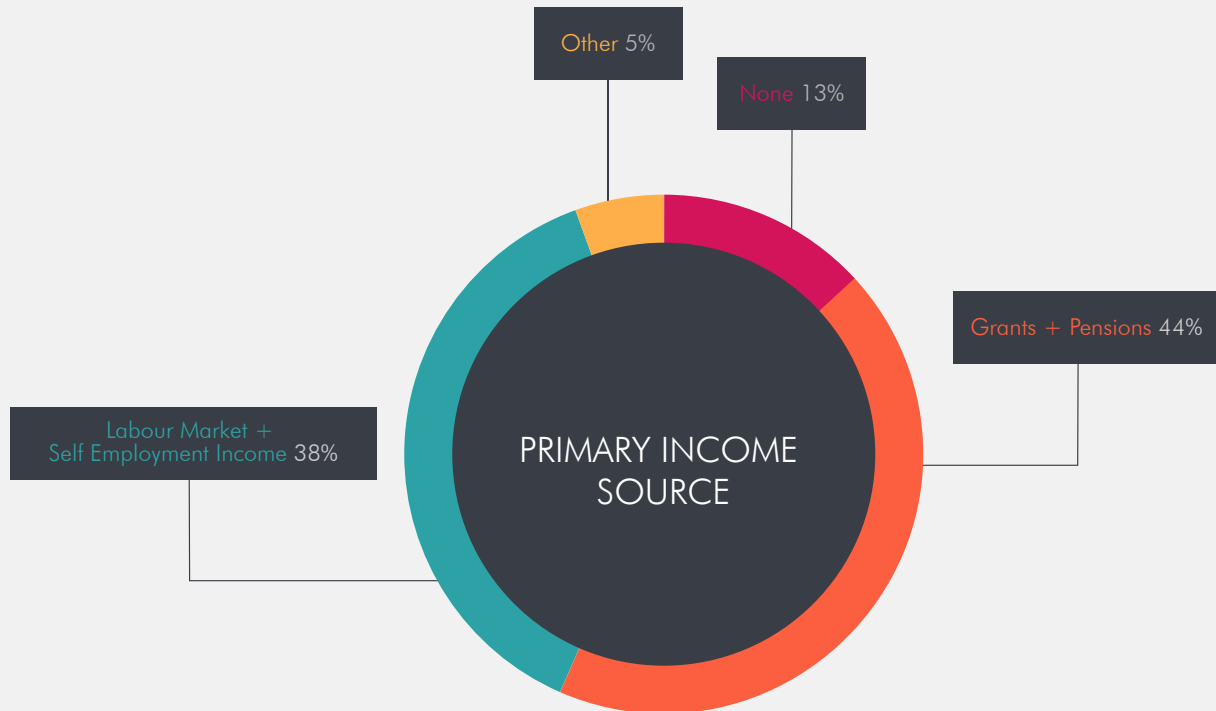
Knowledge Pele conducts ongoing surveys in energy communities across South Africa to generate a view of the conditions in these communities and the development priorities of those who reside in them. Understanding the local context is critical, thus we have conducted numerous surveys since 2015.

Here we examine a subset of our most recent data - from 2016. The sample comprises 600 respondents surveyed in the North West and Northern Cape. From this data, we can share insight into situations where evidence-based development is clearly needed, and demonstrate that the community profile is essential to appreciate in order to deliver programmes which make a difference.



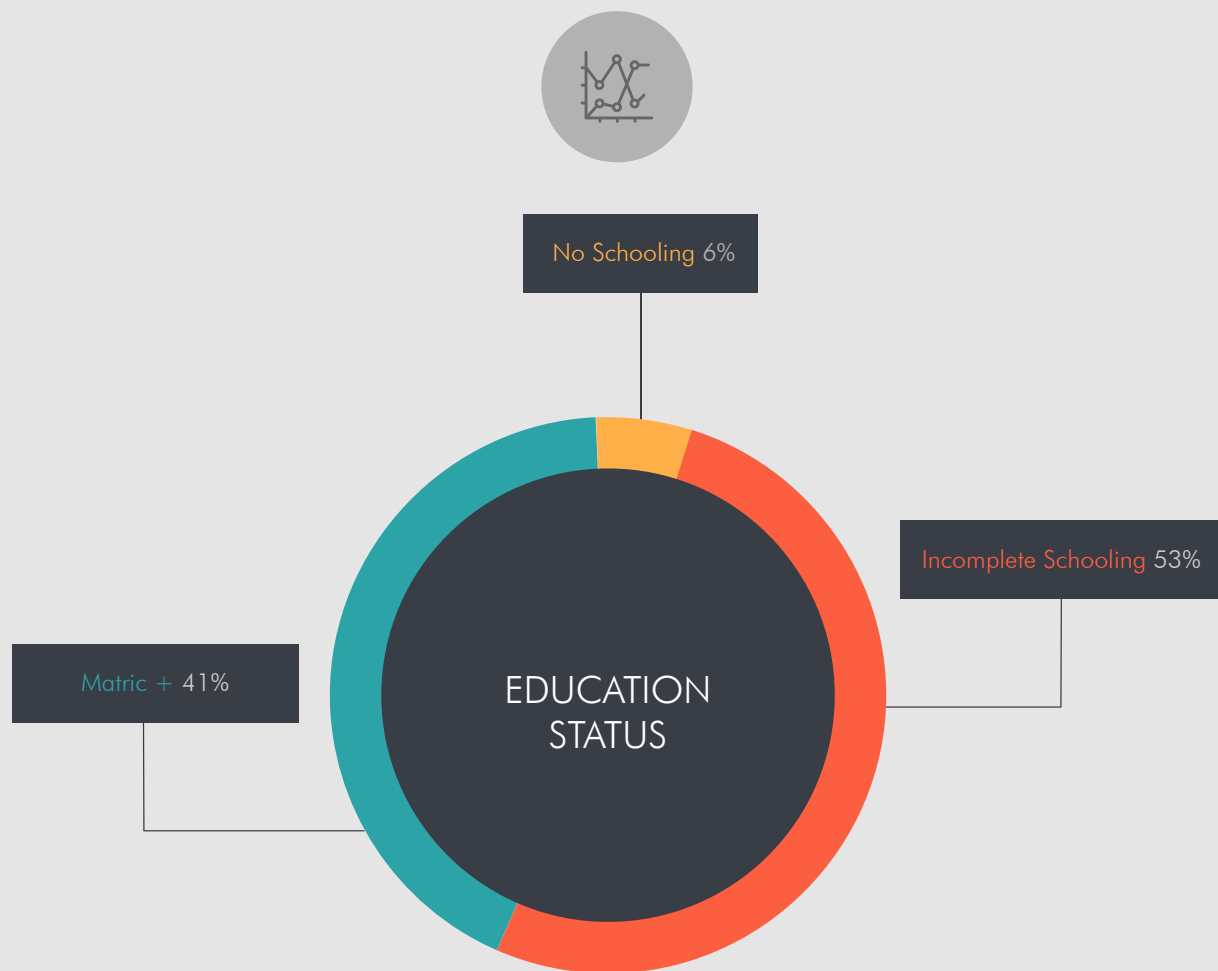
LIVELIHOODS, EDUCATION AND STAKEHOLDER PERCEPTIONS

Community-level data sheds light on several factors relevant to development in impoverished areas. Livelihoods are at the core of economic integration, and access to opportunities is crucial to earn income.



Consider the primary income source that households report. A small minority of individuals report no labour market earnings or self-employment income whatsoever. Households without any income exist because of gaps in the social grants system, as it precludes healthy working age adults from accessing benefits. Individuals in these households are in the most desperate need of appropriate economic opportunities. The earnings enjoyed by households in these communities clearly illustrate the substantial levels of deprivation experienced there.

Looking at educational status – we see that many respondents have not completed basic education. Getting a matric is predictive of the ability to earn profits or wages.



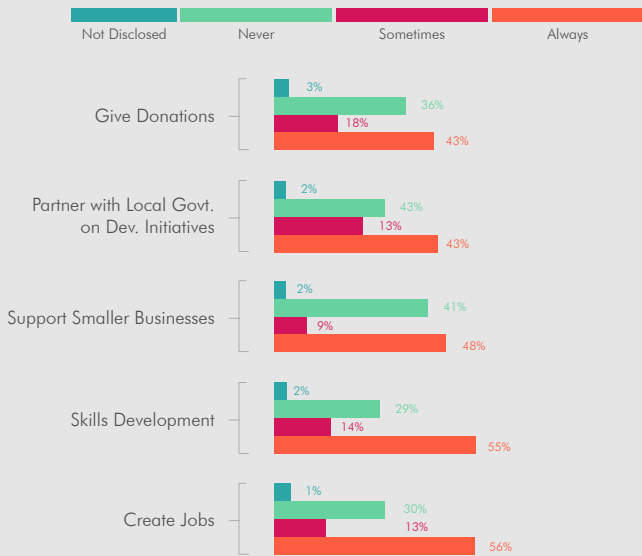
What about those who do not have complete education and cannot access economic opportunities? Partnerships evolving to facilitate adult basic education and training, focusing on literacy, would be a first step. Adults who succeed given a second opportunity to acquire essential education and training that could then be integrated into appropriate work opportunities. These should differ from programmes offered to youth.

The degree of integration into the labour market is certainly related to educational attainment in South Africa. Existing opportunities very often only cater to those with formal education certification, at a minimum. Integration into the labour market in excluded contexts relies on extraordinary efforts being undertaken to identify capable employees and provide a variety of work opportunities, as well as upskilling.

But what is critical to understand is what role the private sector should undertake in these communities – what does the community indicate as most necessary? Which partnerships need to be brokered? How are stakeholders currently perceived?



ROLE OF BIG BUSINESS



TRUST IN STAKEHOLDERS



Considering the Role of Big Business, it is clearly apparent that there is widespread demand for the support of Big Business within the communities surveyed. The communities report the need for employment as well as skills development as most urgent. Meeting both needs expressed is reliant on appropriate partnerships being put in place to absorb competent workers into the labour force.

Communities generally report a lack of access to training facilities locally – which might be due to the cost of travel to the closest institution, tuition or other reasons. Should big business want to support education and training, understanding the obstacles in existence is a critical starting point for facilitating community access to training opportunities.

DELIVERY TRACK RECORD





Trust in established stakeholders is clearly linked to their track record with delivering on their promises in the past. Local government and community leaders, excluding religious leaders, are not generally considered to follow through on promises made to communities. Knowledge of why stakeholders are perceived negatively can inform the manner in which to engage the community as well as potential partners and gatekeepers.

In summary, we see that existing earnings opportunities in communities reward formal education. Upskilling and work experience programmes both have a role to play in broadening access to existing jobs. Increasing the number of appropriate jobs available in the local context is also necessary. These endeavours rely on partnerships – partnerships which require careful management to yield success.

It is incumbent on the private sector in to play a role in the ongoing development of South Africa. In the renewable energy and mining industries, community level development is an explicit component of the license to operate. Social impact investing is becoming a relevant consideration more broadly to facilitate economic inclusion linked to commercial enterprise.

Understanding community needs and assets helps to anchor development strategies, ensuring that interventions are contextually appropriate and presence in local communities appropriately navigated. Partnerships can be leveraged if negotiated sensitively – but the harm that might come from choosing the wrong stakeholder or implementation agency to partner with might mean the difference between development success and failure.

It is our objective at Knowledge Pele to foster greater collaboration across the private social investment sector to enhance development learning and practice for the private and public sectors. This has the potential to expand the reach of evidence-based development activities.

Knowledge Pele is well positioned to gather insight into the socio-economic needs and assets of communities. With this insight we can advise on community development practice, as well as support monitoring and evaluation of corporate sponsored development programmes to ensure that development is continually undertaken with best practice in mind.

Knowledge Pele is an organisation that believes in research- led development. As such, our practice is underpinned by an evidence-based approach to development. We continually conduct research to understand the socio-economic needs and assets of communities in disadvantaged communities, focusing on peri-urban and rural South Africa, to facilitate their inclusion. Such research is especially important to inform the social investments required of private companies in communities which host their assets.

To commission data collection for a community you are interested in, or to see what is available, please contact c.kannemeyer@knowledgepele.com