

Redefining skills towards job creation

The South African economy should create skills that lead to jobs in all provinces, writes **Thulani Guliwe**. Such skills should upgrade our manufactured products as well as ensure that the unemployed get skills to create low skill, useful goods. Addressing poor basic education is key to this.

In the past few years the debate around economic growth and development in South Africa has been coupled with the issue of skills development. The argument being that the country should acquire skills that contribute to economic growth and development.

The recent calls by the minister of Higher Education and Training, Blade Nzimande, to transform the Sector Education and Training Authorities (Setas) have put the issue of skills development and job creation on the top of the agenda. The re-introduction of the National Certificate (vocational) courses at colleges is another key issue. It is therefore important to contribute to this discussion.

BALANCING SKILLS

Skills development tends to take a high road. Instead of balancing all the wheels and focusing on the high and low roads we have been looking at one issue at a time. This has led to a mismatch between the skills that address unemployment and those that drive the economy.

It is quite evident from current statistical data that in the past decade our approach to skills development failed to respond to

the high levels of unemployment facing the country. Instead they focused mostly on critical skills. This tended to overlook the skills set needed to respond to the challenges of poverty.

The popular view was that critical skills were important because we could not live without them. Therefore investing in skills for fields such as engineering, management, education, health and welfare were prioritised.

On the contrary, this approach tends to move in the opposite direction which privileges growth instead of putting employment creation at the centre of development. It is clear that this approach did not address the main challenges of job creation, inequalities and inclusive and shared growth. This has resulted in the call to move in a different direction.

The timing on the demand for engineering skills and management was good, especially in driving capital-intensive projects such as the construction of the Soccer World Cup stadia, roads and malls. However, the current approach calls for a different set of skills that are aligned to the new

developmental agenda such as a focus on labour-absorbing sectors.

A study conducted by Dani Rodrics and his team indicates that South Africa has de-industrialised in critical sectors that manufacture and drive the economy coupled with a skills mismatch that does not respond to the labour market's requirements. These skills include those needed in the manufacture of 'white' and 'brown' goods such as radios, televisions and fridges.

Given the rising levels of unemployment and poverty facing the country, the new developmental path tends to emphasise labour-absorbing employment. But the main focus on capital-intensive skills (white collar, not labour intensive) has the potential to negate this vision of job creation, shared and inclusive growth.

The ruling African National Congress' 2009 election manifesto stressed economic justice in which there was redistribution of resources and a shared and inclusive growth. Hence the call to support small, medium and micro-enterprises and cooperatives for previously marginalised sections of the community.

SKILLS BIAS

From the above it is clear that the conventional approach to skills development did not take into account the country's geographic and socio-economic landscape. The focus on skills development tends to be biased towards the urban areas. Provinces like Limpopo, Eastern Cape, Free State, Mpumalanga, North West and KwaZulu-Natal are predominantly rural and have high unemployment levels.

The current approach to skills development appears to overlook the socio-economic dynamics of these regions.

The inability of policy makers to develop a territorial approach when developing skills for the economy has proved to be a disaster. The majority of people from various provinces tend to move from the depressed regions where there are minimal opportunities to bigger cities like Johannesburg in Gauteng province.

However, the scramble for scarce resources in Gauteng and the inability of business and government to assist in employment creation in the depressed regions has undermined the country's developmental agenda. This has led to Gauteng's infrastructure such as roads, hospitals and housing being stretched to the limit. It is therefore important to refocus our energies in the so-called depressed areas with regard to redefining the skills strategy.

Our government has developed a rural development strategy and if accompanied by skills for the unemployed, the renewed focus can increase economic growth and reduce poverty levels. The current reality is that there is low investment in agriculture, a sector which has potential to create labour intensive employment, enhance livelihood and improve social cohesion.

The effects of the global economic crisis in the past three years has resulted in the loss of over one million jobs, and the economy

still continues to shed jobs in critical sectors. Therefore a skills development approach that is required needs to respond to these dynamics.

South Africa has become a consumption state. The increase in the number of wholesalers owned by foreign business people makes the country a conveyor-belt of both the developing and the developed world.

By importing finished products, the economy is unable to add value, and therefore continues to lose jobs. This contributes to the reduction of the tax base and spells disaster in the near future. Sustaining the social safety net becomes difficult when few people pay tax.

In other developing countries, skills development has focused on reducing poverty and creating jobs. For example, in China, the focus has been on an agrarian revolution that ensured food security and stability. Skills training aimed to increase production in the manufacturing sector.

On the other hand, investment in agriculture and skills for the productive industries such as furniture design and manufacturing, plumbing, building, carpentry, professional welding and thatching have been eroded. These skills have enormous potential to create employment as they are labour intensive in nature.

TRANSFORMING FETs

The government's efforts to address skills shortage and unemployment through Further Education and Training (FET) colleges remain important. The 10% pass rate within the FET colleges in 2010 is a wake-up call for government to go beyond mere transformation and to invest in the colleges.

If this is not taken seriously, the prevailing skills mismatch will continue and so will structural unemployment and poverty. A number of studies on education and

skills found that it is not the lack of investment and infrastructure support that is affecting the production of quality skills for the economy, but the weak background in numeracy and literacy.

The absence of capacity at FET colleges to respond to labour market requirements indicates that the effects of the apartheid education system coupled with the outcomes-based education approach have worsened the skills problem. Some students in institutions of higher learning are unable to read and write. It also shows that there are deep-seated problems facing the education system.

There needs to be a drastic shift from healing the symptoms to confronting the causes head-on. Even if it means importing skills needed in the manufacturing sector. South Africa has been de-industrialising since the beginning of the 1990s and a lot of critical skills to drive the economy were lost.

In order for the country to compete globally and address its structural challenges, there is a need to develop and nurture the skills in critical sectors of the economy. If these challenges are not addressed, we will continue to be a warehouse of both emerging and developed economies.

The current developmental path calls for a new focus on skills development if unemployment is to be halved by 2014 and five million jobs created by 2020. This means balancing skills to enhance productivity and competitiveness, with those that respond to the challenges of structural unemployment, poverty and inequalities.

To develop skills for the economy there is a need to strengthen basic skills in numeracy and literacy. ¹⁶

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