

# Targeting basic skills

## new training model

The Department of Trade and Industry's 'vision' of creating a 'high skills economy' has done little to solve the problem of unemployment. **Dr E Cebekhulu, Ibrahim Steyn and Prof EA Mantzaris** reflect on this strategy and suggest a different way forward.

**A** persistent theme over the past years has been the state of skills in the South African economy. Since South Africa is a developing country with many unemployed possessing low levels of skills, the development of high skills is incorrect as the sole focus of human resource development.

H Bhorat in his book on links between education and the labour market argues that South Africa suffers from structural unemployment, which is a result of a mismatch between jobs and people with skills to do the jobs. He argues that the solution is skills

development – supply-side measures. We believe the problem is not entirely a 'mismatch of skills'.

Historically apartheid capitalism was based on a seriously dysfunctional skills development system where skills were racialised and gendered. Black South Africans, especially female, were denied access to skills or received no certification or recognition for knowledge learned on the job. Provider institutions and delivery systems were fragmented and dysfunctional.

This historical problem is related to issues such as neo-liberal economic policies, capital accumulation patterns, the fluctuations in the rate of profit and similar economic indices. Export-orientated growth required less workers with portable skills. Trade liberalisation is skewed towards skilled workers at the expense of a growing number of unskilled labour. Casualisation and outsourcing deny workers access to skills development, while the 'two-economies' concept marginalises 'informal' workers from skills training programmes. This creates serious inter-class divisions within the working population. The extreme inequalities in our society have not been addressed over the last 12 years and are in fact widening.

The large-scale shedding of formal jobs (two million over the past decade) has led to the growth

of new forms of informal work, especially a variety of informal trading.

Research shows that unemployment has increased and that much of the economy's major growth has been driven by the services sector and to a lesser extent the manufacturing sector. Structural and technological changes in the economy have led to an increase in demand for highly skilled workers, combined with large scale retrenchment at the bottom-end of the labour market.

The majority of unskilled workers are aware that the current growth path is unlikely to deliver employment or the opportunity to contribute to national growth. It provides insufficient unskilled employment to absorb them, thus relegating them into a 'reserve army of labour'. The Department of Trade and Industry's 'vision' of creating a 'high skills economy' has promoted a demand for skilled labour rather than stimulating demand for unskilled labour, particularly in rural areas.

The Adult Basic Education and Training (ABET) system is possibly the most effective tool for low skills training and for combating illiteracy. It is important, thus, to assess the impact of ABET training.

Current ABET programmes highlight the following concerns. Firstly, there are too few programmes available relative to the functionally illiterate. Secondly,

sectors that have a high concentration of illiterates tend to have a low number of ABET participants. What this points to is a misalignment in the delivery of ABET training. Finally, there is a selection bias in the entry to ABET programmes resulting in many literate workers using these programmes to advance their own education.

Learnerships also paint a bleak picture of expanding new entrants into the labour market. A broad-brush overview of the learnership programmes reveals contradictory tendencies. It appears that the number of learners completing learnerships is less than the numbers registering. Learnerships are also skewed towards one Seta. Further, learnership programmes lack support mechanisms such as counselling and career guidance to help learners in their learnership choices.

International experience shows a move towards a high skills route. The South African experience is different. The situation in the South African economy is one of no jobs for a substantial proportion of the population who possess mainly low and intermediate skills. This means that a low skills strategy for South Africa as part of a multi-pronged skills development strategy is a viable solution to unemployment and poverty. However, this will only work if the apartheid equation of blacks with low skilled employment is ended.

We recommend a multi-pronged, integrated skills development strategy. The strategy would simultaneously support the expansion of high skills in key sectors such as IT, telecommunications, and financial and accounting services. It would

also continue to supply intermediate skills in the engine, machine tools, metal, textile, leather and rubber industries whilst providing support for low skill job creation. This would happen through SMMEs and cooperative development strategies that would incorporate the unemployed and those in survivalist activities in the informal economy.

Most importantly, given the extent of the problem, there is a need for changes in macro-economic policies so that expansion reflects a gradual but substantial reduction in the unemployment rate. In the context of 'sustainable development', the challenges are to build social institutions that support a technological choice that maximises human resource development and employment creation, and that translates the wealth created into new jobs.

The stimulation of the demand for new skills, especially at the low end, would also occur through effective government policies across education, training, labour market regulation, and industrial restructuring. More significantly, the demand for skills will increase, particularly at the low end, when domestic demand in the national economy increases as a result of various government infrastructural and employment creating interventions.

In terms of ABET, a broader selection of programmes that cater for life long learning and training is necessary. Simultaneously existing ABET programmes must be aligned to the education and training needs of illiterate workers. Institutionally, there is a dire need for the departments of Education and Labour's ABET initiatives to cooperate.

The low skills strategy would not exclude the growth of intermediate (neglected during apartheid) and high skilled jobs. It may be better to talk of a skills strategy, which primarily targets basic skills and then moves to a later re-balancing of the economy in the direction of more intermediate and higher-level skills.

Finally, if government and society is serious about addressing the problems of unemployment, underemployment, poverty and inequality, we must ensure that skills development takes place in a context of:

- Building long term sustainable jobs in the sectors where training and interventions take place.
- State intervention must ensure linkages between state bodies and strategies for the sector.
- Skills development must be seen as a long term intervention and not as temporary life skills interventions such as in the Expanded Public Works Programme.
- Skills must link to career paths and industry developments.
- Economic policy must be in line with the needs of people both in terms of access to goods and access to jobs.
- Labour needs to ensure that it capacitates its members to engage with skills strategies and workplace skills plans.
- Business must be held accountable, in terms of equity targets as well as job creation targets.

LE

*Dr Elias Cebekbulu and Prof EA Mantzaris are in the Social Policy Programme at the University of KwaZulu-Natal, and Ibrahim Steyn is from the Nedlac Community Constituency.*