



Theme: Labour market

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Inclusive education and skills planning for South Africa: Reflections from the Labour Market Intelligence Partnership

In 2009, the South African government prioritised skills planning through government outcome 5.1.1..... 'to establish a credible institutional mechanism for skills planning'. In 2012, the Human Sciences Research Council-led research consortium launched the Labour Market Intelligence Partnership (LMIP) project to provide a holistic understanding of the current supply and demand for skills, and how these two interact to support an inclusive social and economic growth path (lmip.org.za). This piece draws on the analysis in the report titled 'Skills Supply and Demand in South Africa' by Vijay Reddy, Haroon Borat, Marcus Powell, Mariette Visser and Fabian Arends.

South Africa is a youthful country, with two thirds of the population under the age of 35 years. In 2014, there were 22 million people of working age, and of those, 15 million were employed and 8 million unemployed. While the education levels of the population have been improving, the highest level of education is still low compared with other emerging economics (OECD, 2014). Three

About this brief

This brief was commissioned by the Mandela Initiative to help inform a synthesis report on its work since the 2012 national conference, *Strategies to Overcome Poverty and Inequality*, organised by the University of Cape Town. The MI provides a multi-sectoral platform to investigate and develop strategies to overcome poverty and reduce inequality in South Africa. While the Nelson Mandela Foundation is a key partner, the Initiative has relied on collaborations between academics and researchers, government, business leaders, civil society, the church and unions.

The synthesis report serves as a framework for reporting on the work of the MI at a national gathering on 12 – 14 February 2018 at the University of Cape Town. The MI *Think Tank* has identified the objectives for the gathering as:

- to anchor the contributions of the MI within an analysis of the current South African political and economic context;
- to share the recommendations emanating from the MI-related work streams at a policy/strategic level to advance the goal of eliminating poverty and reducing inequality;
- to critically engage with the potential impact of the recommendations on eliminating structural poverty and inequality; and
- to discuss ways of promoting popular conversations and debate about what needs to be done to eliminate poverty and reduce inequality, beyond the MI.

The synthesis report aims to assist participants to prepare for the national gathering. The report drew on findings from the sectoral research projects of Think Tank members; the MI's *Action Dialogues*; a report on an MI *Community of Practice workshop* with research chairs from different universities to identify cross-cutting themes emerging from the MI's *research programme*; and the work programmes of others who have expressed an interest in contributing to the goals of the MI.

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quarters of the employed and 90% of the unemployed are from the African population group.

Of the employed population, 20% has a tertiary qualification, 32% has completed secondary education, while close to half of the workforce do not have a grade 12 certificate. Sixty percent of the unemployed has less than a grade 12 certificate. This translates to 11.75 million of the labour force with less than a grade 12 certificate.

The South African economy has been characterised by low economic growth rates, leading to poor employment growth. This employment growth has not been sufficient to absorb the large numbers of youth coming into the labour market for the first time. The end result is an escalating unemployment rate.

The South African labour market is paradoxical, with a structural mismatch between labour demand and supply: the labour market shows a demand for highly skilled workers, but there is a surplus of low-skilled potential workers. The economy must therefore respond to the twin challenges of participating in a globally competitive environment, which requires a high skills base; and a local context that demands more labour-intensive, lower-end wage jobs to absorb the large numbers who are unemployed and in vulnerable jobs, and the growing levels of particularly young people as first-time labour market entrants. The skills development challenge is not to focus only on a small number of skilled people in the workplace, but also on the unemployed, the youth, low-skilled people, the marginalised, and those in vulnerable forms of employment, including the self-employed.

A critical constraint for the post-school education and training system and the labour market is the quality of basic education. Success in the school subjects of languages, mathematics and sciences forms the basis for participation and success in technical subjects in post-school education and training institutions, and in the workplace.

Presently, each year around 140 000 grade 12 students complete the matriculation examination with a bachelor's pass, and of these only around 50 000 students pass mathematics with a score higher than 50%. The pool of students who can potentially access university and science, technology, engineering and mathematics (STEM)-based technical and vocational education and training (TVET) programmes is very small in comparison to the skill demands in the country.

The university and TVET college sub-systems are the largest components of the post-school education and training (PSET) system. In 2014, there were around 1.1 million students in the university sector and 0.8 million students in the TVET sector. Completion rates at both

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universities and TVET colleges are less than desirable: in 2014 there were 185 000 completers from the university sector, and in the TVET sector; while 21 000 NCV4 and 57 000 NATED6 wrote the examination, only 7 400 NCV4 and 24 200 NATED6 completed the programme.

Access to schools, universities and TVET colleges has improved. However, quality remains elusive leading to low progression through institutions, as well as low completion rates from schools, TVET colleges, and universities.

While the shares in female students in both universities and TVET colleges have increased, there are still gender differences in the fields of qualification (males are more likely to study and graduate in the fields of STEM-based subjects and females are focused on health, education and social science subjects).

The LMIP proposes an **inclusive PSET planning approach** for South Africa which focuses on both the needs of the economy and society. In most industrialised nations with high levels of education and low levels of unemployment, the skills planning focus on the analysis of vacancies in the labour market. South Africa has lower levels of education and skills than most productive economies, and policies emphasise the need to raise the levels of basic, post-school and workplace education and training. Skills planning programmes must explicitly include both the employed and the unemployed. There must be training programmes (especially short-term skills and trade focussed) for the unemployed and continual upskilling of workers. The inclusive PSET approach must recognise all vulnerable groups (unemployed, youth, women, African, disabled) in its planning and allocation of resources. Generally, the vulnerable groups have lower levels of education and skills, and a set portion of the PSET budget must be allocated to this group to enable them to access appropriate skills training and job opportunities. The inclusive PSET planning approach must be embedded in the reality of the structural mismatch between labour demand and supply, in which the economy and labour market show a demand for high-skilled workers, but there is a surplus of low-skilled workers. The economy needs to grow and new jobs, including low-skilled jobs, must be created.

Skills planning is the responsibility of government, and not only the Department of Higher Education and Training, with its business and social partners. The joined-up approach to skills planning will use labour market intelligence to monitor the *alignment between government growth initiative, industrial strategies, societal needs and the skills strategy*.

For more information on the Mandela Initiative:

