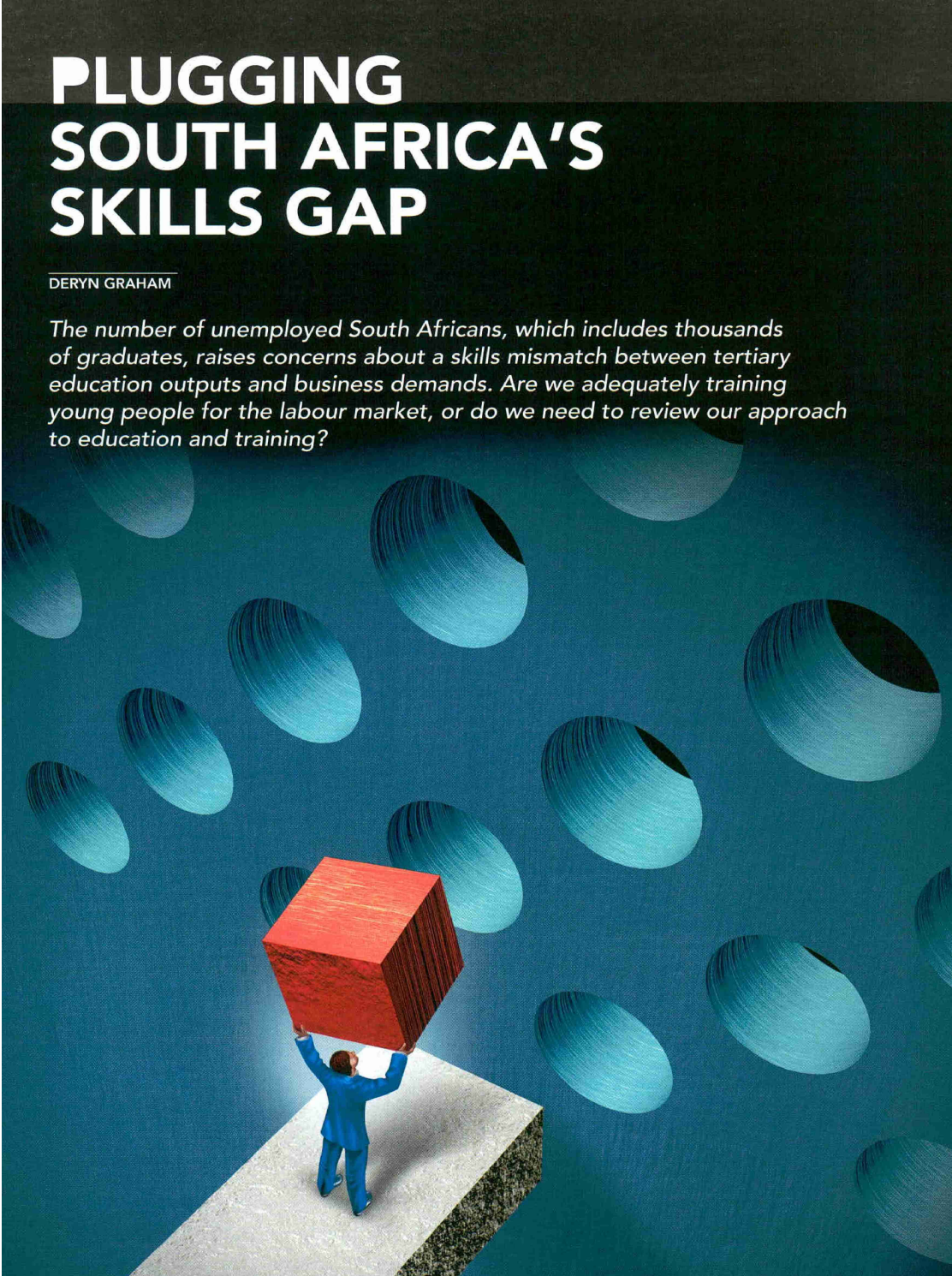


# PLUGGING SOUTH AFRICA'S SKILLS GAP

DERYN GRAHAM

*The number of unemployed South Africans, which includes thousands of graduates, raises concerns about a skills mismatch between tertiary education outputs and business demands. Are we adequately training young people for the labour market, or do we need to review our approach to education and training?*



**A**ccording to the Deputy Minister of Higher Education and Training Dr Mimmy Gondwe, education is a means to an end and not an end in itself. The end goal, of course, is employment, but for many graduates, jobs are elusive, and years after graduation, they remain without work.

But is there really a skills gap or does the problem lie elsewhere?

According to Ebrahim-Khalil Hassen, Senior Researcher at the Gauteng City-Region Observatory (GCRO), in order to meet the private sector's employment demands, tertiary institutions need to balance managerial training and functional competency with academic excellence. "We need to create career pathways from hard skills to more general managerial training," he says.

The Sector Education and Training Authorities (SETAs) are in theory meant to drive reporting on skills demand in their respective industries, although their own skills in achieving this are patchy. Stephanie Allais, Professor of Education and Research Chair of Skills Development at the Centre for Researching Education and Labour, has written extensively about the shortcomings of the SETAs.

**“South Africa has a skills crisis, and our education system isn't meeting the needs of the economy.”**

"The process is too complex with too many tools to do too many things, rendering it ineffectual," she says. "The data coming from employers is poor, and this feeds into poor reporting and so skills development funding goes to the wrong places." She also claims that SETAs tend to go through box-ticking exercises, reporting skills deficits only in areas in which they are already equipped to train, as this earns them their subsidies. In addition, Small and Medium Enterprises (SMEs) lie outside skills sector planning and their needs are not factored in.

"Funding models for Technical and Vocational Education and Training institutions (TVETs) and vocational training are also complex and so, given that a university degree is still seen as increasing graduates' prospects of getting a job, those that can, go to university," she says. However, she believes, while vocational colleges can't solve youth unemployment and plug all the gaps, they can play an important role in the economy if they are funded more efficiently and if they had a clearer mandate.

#### GOVERNMENT THWARTS INNOVATION

In his 2024 State of the Nation speech, President Ramaphosa spoke about a 'demand led' approach to job creation, launching the National Pathway Management Network which aggregates learning and earning opportunities on a single platform. Here young people can match their skills with jobs and access a range of support services.

Another government initiative is the Labour Market Intelligence Partnership (LMI) which aims to 'integrate skills planning with government strategies and plans in order to produce a capable

**“Given that a university degree is still seen as increasing graduates' prospects of getting a job, those that can, go to university.”**

workforce to achieve an inclusive growth path'. Their manifesto goes on to say that 'LMI ensures that skills are not a constraint on economic growth and promotes the use of labour market intelligence for skills provisioning'. Launched in 2012, the success of this programme is debatable.

If it's entrepreneurial endeavour that is going to be the job creator of the future – picking up some of the slack in the labour market – then South Africa is in trouble. While we have great, innovative minds, legislative barriers to establishing a company are high and the track record of small businesses making it past year one is poor. The Global Entrepreneurship Monitor shows that we score highly for start-ups, but low for established businesses, and this must be a concern.

"We are an industrious nation, but South Africa is a difficult place in which to succeed and so we are not developing the jobs in the SME sector that we should be," says Hassen. "The fact is that we have a concentrated economy dominated by a number of large companies."

Without a transition of asset holdings, the jobs and skills market will intrinsically be bound to their needs.

Hassen believes that we will only build new assets by looking for a better return on investment on education. Allais puts it more bluntly, "South Africa has a skills crisis, and our education system isn't meeting the needs of the economy."

#### SKILLS SCAPEGOATING

Beyond the skills crisis, the socio-political landscape, too, impacts who gets to work. On claims that 'automation and foreigners are taking jobs and widening the skills gap', Hassen says, "The introduction into basic education of subjects such as robotics and coding, and the Basic Education Laws Amendment [BELA] Act making Grade R compulsory, will go a long way to addressing skills deficits, but only in the future." As for xenophobic accusations that foreigners are taking South African jobs, he believes that a society that attracts skills from overseas is better than an insular one, and that we mustn't scapegoat foreigners for our unemployment crisis.

One proposal to meet the skills gap challenge is the provision of a universal basic income grant. Hassen believes that such a grant would put recipients on a path to economic activity, eventually funnelling some of them into the jobs market. "Make everyone part of the economy, and the opportunities for acquiring skills will be more equitably distributed," he says.

South Africa undoubtedly needs a programme of re- and up-skilling of the existing workforce, structural change to increase job opportunities, and a more innovative form of capitalism if we are going to address our skills deficit and a state of persistent unemployment. ■