EFFECTIVE TRAINING FOR JOB CREATION IN THE SOUTH AFRICAN EDUCATION SYSTEM

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ABSTRACT

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Keywords: Eastern Cape, economy, education, Gauteng, globalization, job creation, labour force, labour market, skills, training, unemployment.

It is generally accepted that the quality of a country's labour force is a crucial factor in successful competition in the global economy. South Africa's richness in human resources unfortunately does not in itself make us a winning nation. Because of the low educational attainment of our labour force, we have to compete in the global economy at a disadvantage. The global labour market is characterised by constant change (benefiting skilled workers) and the progressive destruction of jobs (affecting in particular semiskilled and unskilled workers).

The purpose of the study is to investigate the structural changes taking place in the workplace, the effects thereof on the demand for human resources, and how education and training in South Africa can respond to these changes to the benefit of individuals, organisations and the country as a whole.

An intensive literature survey cast light on the development of economies, how such development influences the demand for worker skills and how different nations have attempted to meet the requirements of their productive systems through appropriate education and training. South Africa's economy, labour problems and strategies to enhance human capital and create jobs were also examined. Consistent with trends observed in the advanced economies of the world, the pattern of activity in the South African economy has shifted from the primary and secondary sectors to the tertiary and service sectors, shedding jobs requiring lower levels of skills and creating jobs for highly qualified workers.

A historical overview of the provision of education and training in South Africa highlights how apartheid policies contributed to vast disparities in the skills levels of the different population groups in South Africa. Many innovative measures to enhance skills levels and job creation have been introduced since 1994 by the democratically elected government. These measures were evidently informed by the experience of other countries. The formidable task of implementing these measures or strategies successfully is exacerbated by the fact that the different provinces in South Africa are in different stages of economic development and have different educational outputs, leading to differences in the skills levels of their respective labour forces.

Research on how unemployed people participate in the labour market served as the basis for the empirical input to the study. The data collected in Gauteng and the Eastern Cape were interpreted to ascertain how such people interact with the labour market in these provinces. The survey results revealed that the effects of low educational levels, people's interaction with the labour market, their job interest and the way job creation strategies are implemented may influence the efficacy of strategies to enhance people's skill levels and to create jobs.

Factors influencing the demand for labour and factors that may impact on the success of education and training interventions were considered in the construction of a model to prioritise skills formation strategies. The model should be a versatile planning tool for identifying target groups, and for prioritising and implementing skills development strategies in the context of local socio-economic structures, as well as in the context of the national socio-economic structure and the global economy.

As proposals for job creation by experts throughout the world have not been able to arrest increasing unemployment rates, it would be presumptuous to claim that this study provides a solution to the problem. Nevertheless, ways need to be found to optimise the impact of skills formation and job creation efforts. The following recommendations are made on the basis of the findings of the present study:

- The structural and attitudinal changes taking place in the workplace should be investigated and workplace demands should be matched with the skills needed by workers.
- Efficient, modern systems of administration staffed by technically competent officials should be established to manage the implementation of skills formation and job creation strategies.
- A close relationship should be established between government, business and labour.
- All persons over the age of 15 years who enter the labour market (and those who are already in the labour market) without the prospect of becoming employed should be registered as job seekers.
- All young people should have a minimum of 12 years general education and enhanced forms of technical education.
- Educational and training institutions should disabuse learners of the idea that they have to be dependent on someone else to give them a job.
- The general and further education and training system should provide learners with the basic skills in mathematics, language, science and technology required by industry.
- Qualified mathematics and science teachers should receive recognition through higher salaries.
- Appropriate assistance should be provided to education leavers and to the unemployed.
- The basic skills of those already in jobs should be improved.
- Employers should be assisted on how to organise and implement workplace training.
- Organisations should double their investment in training to at least 2% of their payrolls.

OPSOMMING

DOELTREFFENDE OPLEIDING IN DIE SUID-AFRIKAANSE ONDERWYSSTELSEL MET DIE OOG OP WERKSKEPPING

Sleutelwoorde: Arbeidsmag, arbeidsmark, ekonomie, Gauteng, globalisering, onderwys, Oos-Kaap, opleiding, vaardighede, werkloosheid, werkskepping.

Daar word algemeen aanvaar dat die gehalte van 'n land se arbeidsmag 'n beslissende faktor ten opsigte van suksesvolle mededinging in die wêreldekonomie is. Suid-Afrika se rykdom aan menslike hulpbronne op sigself is ongelukkig nie genoeg om van ons 'n wennasie te maak nie. Vanweë die lae opvoedkundige vlak van ons arbeidsmag, moet ons vanuit 'n agterstand met die ander ekonomieë van die wêreld kompeteer. Die arbeidsmark wêreldwyd, word gekenmerk deur voortdurende verandering (tot voordeel van geskoolde werkers) en die progressiewe afskaffing van poste (met 'n effek op veral halfgeskoolde en ongeskoolde werkers).

Die doel met hierdie studie was om navorsing te doen oor die strukturele veranderings wat in die werkplek plaasvind, die effek wat sulke veranderings op die vraag na menslike hulpbronne het, en die wyse waarop onderwys en opleiding in Suid-Afrika hierop kan reageer – tot voordeel van individue, organisasies en die land as geheel.

Deur middel van 'n intensiewe literatuurstudie is ondersoek ingestel na die manier waarop ekonomieë ontwikkel, hoe sodanige ontwikkeling die vraag na werkers se vaardighede beïnvloed, asook die wyse waarop verskillende nasies poog om deur middel van toepaslike onderwys en opleiding aan die vereistes van hul produksiestelsels te voldoen. Verder is 'n studie gemaak van die Suid-Afrikaanse ekonomie, probleme in die plaaslike arbeidsveld en strategieë om mensekapitaal te verbeter en werk te skep. Hieruit was dit duidelik dat, in pas met tendense wat in die meer moderne ekonomieë van die wêreld waargeneem kan word, die patroon van aktiwiteit in die Suid-Afrikaanse ekonomie ook van die primêre en sekondêre sektore na die tersiêre en dienssektore verskuif het, met die gevolg dat poste wat laer vaardigheidsvlakke vereis, afgeskaf is, terwyl poste vir hoogs gekwalifiseerde werkers, daarenteen, geskep is.

'n Historiese oorsig oor die voorsiening van onderwys en opleiding in Suid-Afrika dui aan hoe die beleid van apartheid tot ontsaglike ongelykhede in die vaardigheidsvlakke van die verskillende bevolkingsgroepe in Suid-Afrika bygedra het. 'n Groot aantal innoverende maatreëls wat daarop gerig is om vaardigheidsvlakke en werkskepping te verhoog is sedert 1994 deur die demokraties verkose regering ingestel. Hierdie maatreëls het onteenseglik uit

die ervaring van ander lande geput. Die geweldige taak om die maatreëls of strategieë suksesvol te implementeer word egter vererger deur die feit dat die verskillende provinsies in Suid-Afrika hulself in verskillende stadiums van ekonomiese ontwikkeling bevind en dat hulle verskillende onderwyskundige uitsette lewer. So 'n situasie lei natuurlik weer tot verskille in die vaardigheidsvlakke van hul onderskeie arbeidsmagte.

Navorsing oor die wyse waarop werklose mense aan die arbeidsmark deelneem, het as die basis vir die empiriese insette tot die studie gedien. Die data wat in Gauteng en die Oos-Kaap ingesamel is, is geïnterpreteer ten einde vas te stel watter interaksie daar tussen sulke mense en die arbeidsmark in hierdie provinsies bestaan. Uit die opnameresultate het geblyk dat die effek van lae onderwysvlakke, persone se interaksie met die arbeidsmark, hul belangstelling in sekere tipes werk en die wyse waarop werkskeppingstrategieë geïmplementeer word, 'n uitwerking kan hê op die doeltreffendheid van strategieë om vaardigheidsvlakke te verhoog en werk te skep.

Faktore wat die vraag na arbeid beïnvloed, asook faktore wat die sukses van ingryping deur middel van onderwys en opleiding affekteer, is in aanmerking geneem by die konstruksie van 'n model om strategieë vir vaardigheidsontwikkeling te prioritiseer. Die model behoort 'n veelsydige beplanningsinstrument te wees vir die identifisering van teikengroepe asook vir die prioritising en implementering van strategieë vir vaardigheidsontwikkeling – beide in die konteks van plaaslike sosio-ekonomiese strukture en in die konteks van die nasionale sosio-ekonomiese struktuur en die wêreldekonomie.

Aangesien voorstelle vir werkskepping deur kundiges dwarsoor die wêreld nie daarin kon slaag om stygende werkloosheidskoerse te stuit nie, sal dit baie voorbarig wees om daarop aanspraak te maak dat hierdie studie 'n oplossing vir die probleem bied. Nogtans moet daar maniere gevind word waarop die impak van vaardigheidsontwikkeling en werkskeppingspogings verhoog kan word. Die volgende aanbevelings word op grond van die bevindings van hierdie studie aan die hand gedoen:

- Ondersoek behoort ingestel te word na die strukturele en houdingsveranderings wat in die werkplek plaasvind, en die vaardighede wat werkers nodig het behoort in pas gebring te word met die eise van die werkplek.
- Doelmatige, moderne administrasiestelsels wat deur tegnies bekwame beamptes beman word, behoort ingestel te word ten einde die implementering van vaardigheidsontwikkeling en werkskeppingstrategieë te bestuur.
- 'n Noue verhouding behoort tussen die regering, die sakesektor en die arbeidsektor tot stand gebring te word.

- Alle persone ouer as 15 jaar wat tot die arbeidsmark toetree (ook diegene wat hulself alreeds binne die arbeidsmark bevind) en wat geen vooruitsig het om in diens geneem te word nie, behoort as werksoekers geregistreer te word.
- Alle jong mense behoort 'n minimum van 12 jaar se algemene onderwys te deurloop en gevorderde vorms van tegniese onderwys te ontvang.
- Onderwys- en opleidingsinstansies behoort leerders uit die waan te help dat iemand anders vir hulle 'n werk moet gee.
- Die algemene en verdere onderwys- en opleidingstelsel behoort leerders toe te rus met daardie basiese vaardighede in wiskunde, tale, wetenskap en tegnologie wat deur die nywerheidsektor vereis word.
- Gekwalifiseerde wiskunde- en wetenskaponderwysers behoort deur middel van hoër salarisse groter erkenning te kry.
- Toepaslike steun behoort aan onderwysverlaters en werkloses verleen te word.
- Die basiese vaardighede van diegene wat reeds in 'n werk staan, behoort verbeter te word.
- Werkgewers behoort bygestaan te word met die organisering en implementering van opleiding in die werkplek.
- Organisasies behoort hul belegging in opleiding te verdubbel tot ten minste 2% van hul betaalstaat.

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GLOSSARY

Total population	All inhabitants physically present in the country.
Dependency ratio	The ratio of the population defined as dependent – those under 15 years and over 64 years – to the working-age population, aged 15-64 (UNDP, 1999:253).
Population density	Is measured as the total number of people residing in an area divided by the land mass of the area (Stats SA, 2000a:15).
Labour market	An imaginary market place where labour (the services of a worker) is bought and sold (Barker, 1999:1).
Supply of labour	Total population of working age (15–64/65), also defined as the number of people potentially available for work (Griffiths & Jones, 1980) or potentially economic active population.
Labour force or economically active population	All men or women of working age who supply labour for the production of economic goods and services during a specified period (UNDP, 1999:254): it includes workers formally or informally employed, the self-employed, and the unemployed wishing to work (Barker, 1999:45). The actual size of the economically active population depends on how the employed and the unemployed are defined and measured. (See strict and expanded definitions of unemployment below.)
Labour force participation rate	Is measured as the sum of those who are employed and those who are unemployed expressed as a percentage of the total working age population (Stats SA, 2000a:47).
Not economically active population	People of working age who are not available for work. House-wives/homemakers, students/scholars, pensioners, retired people, the severely disabled, and unemployed people who are not actively looking for a job are included among those who are *not economically active* (Stats SA, 2000a:47).
Employment (the employed) Workforce	All persons 15 years and older who during a specified period (e.g. seven days) worked for five or more hours for wage or for profit or family gain, in cash or in kind (Barker, 1999:xviii). The term (employed) also covers work on a farm or the land, whether for a wage or as part of the household's farming activities.
Unemployment	A situation where members of the labour force are without work (not in employment, as defined above), and are currently available for work, and are seeking work (Barker, 1999:165).
***Strict definition* of unemployment [used by Statistics SA (2000a:48) as the official definition]**	Economically active people who: (a) did not work during the seven days prior to a specific survey interview, (b) want to work and are available to start work within a week after the interview, and (c) have taken active steps to look for work or to start some form of self-employment in the four weeks prior to the interview.

***Expanded definition* of unemployment**	Economically active people who: (a) did not work during the seven days prior to a specific survey interview, (b) want to work and are available to start work within a week after the interview but did not take active steps to look for work or to start some form of self-employment in the four weeks prior to the interview (Stats SA, 2000a:48).
Unemployment rate	The number of unemployed persons as a percentage of the total economically active population (Barker, 1999:165).
Labour absorption capacity	The percentage of new entrants to the labour market who find a job in the formal sector of the economy (Barker, 1999:85).
Formal sector employment	Takes place in a business, which has a value-added tax (VAT) number. A person in *formal employment* can be self-employed, an employer, an employee or a working family member (Stats SA, 2000a:47).
Informal employment	Takes place in a small or microbusiness without a value-added tax (VAT) number. A person in informal employment can be self-employed, an employer, an employee or a working family member (Stats SA, 2000a:47).
Informal sector	Unorganised, unregulated and mostly legal but unregistered economic activities that are individually or family owned and use simple labour-intensive technology (Barker, 1999:95).
Human capital	The skills, knowledge and other acquired (usually through education and training) characteristics of workers that make them more productive (Barker, 1999:xviii).
Capital intensive	Any production process requiring a higher proportion of capital relative to other production factors (such as labour) per unit of output (Barker, 1999:91).

LIST OF ACRONYMS

ABET	Adult basic education and training
AIDS	Acquired immune deficiency syndrome
BCEA	Basic Conditions of Employment Act
BEST	Basic education for skills training programme
CBPWP	Community-based public works programme
CIMEC	Centre for Investment and Marketing in the Eastern Cape
COLTS	Campaign on the culture of learning, teaching and service
COSATU	Congress of South African Trade Unions
CPS	Centre for Policy Studies
CSS	Central Statistical Service
DBSA	Development Bank of Southern Africa
DELFA	Department of Economy, Labour and Foreign Affairs (Geneva State)
DFID	Department for International Development
EEA	Employment Equity Act
EIC	Education Information Centre
ETQA	Education and training quality assurance
FET	Further education and training
FTE	Full-time equivalent
GDP	Gross domestic product
GEAR	Macro-economic strategy for growth, employment and redistribution
GET	General education and training
HET	Higher education and training
HIV	Human immunodeficiency virus
HSRC	Human Sciences Research Council
IEB	Independent Examinations Board
IT	Information technology
ITE	Institute of Technical Education
LECs	Local enterprise companies
LRA	Labour Relations Act
MOST	Modular skills training programme
MITI	Ministry of International Trade and Industry
NIE	Newly industrialised economy
NPB	National Productivity Board
NPLP	National presidential lead project
NQF	National qualifications framework
NSB	National standards bodies

NTO	National Training Organisation
OBE	Outcomes-based education
OECD	Organisation for Economic Co-operation and Development
OJT	On-the-job training
PE	Port Elizabeth
PICs	Private industry councils
QCs	Qualifications councils
RDP	Reconstruction and development programme
RESA	Research on education in South Africa
SAIRR	South African Institute of Race Relations
SAQA	South African Qualifications Authority
SDF	Skills Development Fund
SDI	Spatial development initiative
SEPs	Special employment programmes
SETA	Sector Education and Training Authority
SGBs	Standards generating bodies
SMMEs	Small, medium and micro-enterprises
SPSS	Statistical Package for the Social Sciences
SSB	Special Service Battalion
Stats SA	Statistics South Africa
TEC	Training and Enterprise Council
TIMSS	Third International Mathematics and Science Study
TIMSS-R	Third International Mathematics and Science Study-Repeat
USA	United States of America
UIF	Unemployment Insurance Fund
UK	United Kingdom
US	United States
VITB	Vocational and Industrial Training Board
WTO	World Trade Organisation

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CHAPTER 1

1. BACKGROUND TO THE STUDY

1.1 INTRODUCTION

South Africa is a country rich in human resources. Its potential labour force (persons aged between 15 and 64) was estimated at 24 million in 1996 (Stats SA, 2000a:48). Regrettably, the abundance of people alone does not make us a winning nation. In terms of global competitiveness standards, South Africa was ranked 42nd out of 46 countries in 1998 (IMD International, 1998:16) and last in the TIMSS (Third International Mathematics and Science Study) (Baumert *et al.*, 1997:11). In a follow-up study, the Third International Mathematics and Science Study – Repeat (TIMSS-R), South Africa again lagged behind other countries (HSRC, 2000a:1). According to the compilers of the *World Competitiveness Yearbook,* a skilled labour force greatly strengthens a country's global competitiveness (IMD International, 1998:59). In this regard South Africa received the lowest rating. The low educational levels of our human resources and the high unemployment in the country are the main contributors to the poor competitiveness rating.

The acquisition of work skills is considered central to a country's growth performance (Ashton & Green, 1996:164; Porter, 1990:75; Van Dyk *et al.*, 1997:15). When people acquire skills they not only make themselves more productive (able to produce more output for a given amount of time and effort), but they commonly also make themselves more adaptable (Badenhorst, 2000:29; Barker, 1999:213; Booth & Snower, 1996:1; Porter, 1990:369; Wells, 1999:24). The amount and kind of education and training provided should therefore be responsive to the needs of the labour market as well as to individual desires and social needs (Ashton & Green, 1996:185; Kerr, 1979:137; Martins & Tustin, 1999:2).

With an unemployment rate estimated (based on the expanded definition) at 33,9% in 1996 (Stats SA, 2000a:52), the South African labour market is characterised by low growth in the demand for labour and, at the same time, high population growth. As in other developing countries there is an oversupply of unskilled workers and a shortage of skilled workers in South Africa (Barker, 1999:209). According to the 1996 population census, published by Statistics South Africa, 7% of the population 20 years and older had higher education qualifications. A further 17% had matric, while 34% could be considered illiterate[1] (Stats SA, 2000a:41).

[1] A report entitled *A Survey of Adult Basic Education in South Africa in the 90s*, published in 1996 by the Joint Education Trust, defined illiteracy as fewer than seven years of formal schooling (SAIRR, 1997).

Bearing in mind that 46% of South Africa's adult population[2] had qualifications lower than upper secondary education (lower than Grade 10) – as opposed to 14% in the USA, 16% in Germany, 31% in France[3] – we entered the global economy at a serious disadvantage [when the government signed the World Trade Organisation's (WTO) Uruguay Round in 1994 (Naudé, 1999:18)].

South Africa has the overall economic structure of a developed country, but the location and distribution of employment opportunities and the availability of skills differ significantly from province to province. Gauteng, for example, currently ranks first as a contributor to the total wealth of the country (37,7% of South Africa's gross domestic product – GDP). The province employs almost a third of all workers in the country and has the highest proportion of workers with Grade 12 or higher educational qualifications. Although the Eastern Cape accommodates almost the same percentage (15,7%) of the national population as Gauteng (18,1%), it provides jobs for only 8,6% of all the workers in the country and contributes only 7,6% to the GDP. The unemployment rate in the Eastern Cape is running at 48,4%, almost double that of the 28,2% in Gauteng.

The challenge facing South Africa in addressing the (un)employment problem is aggravated by changes in the nature of work,[4] and changes in the nature of employment.[5] Formal employment growth in South Africa peaked in the 1960s at an annual rate of about 2,9%. This declined in the 1970s, dropped further to 0,7% in the 1980s, and was negative in the 1990s (Fallon & Lucas, 1998:7; Meintjes *et al.*, 1998;1). Researchers have increasingly been documenting a marked shift in the nature of work and employment in the global economy (Aronowitz & DiFazio, 1994:1-10; Barnet, 1993:47-52; Evers *et al.*, 1998:8-11; Martin & Schumann, 1997:1-11; Murnane & Levy, 1996:3-6). Some of the most important changes include the increased *externalization* of employment, including outsourcing, subcontracting, and greater use of contingency workers, and the active restructuring of work *within* firms, including flattened job hierarchies and more flexible job requirements (Benner, 2000:2).

Changes in work and employment both contribute to the uncertainty and unpredictability in contemporary labour markets (Benner, 2000:1). Sunter (1999:60) challenges educational and training institutions to adapt to the new concept of work instead of educating learners for the

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[2] Level of education among those aged 20 years and older (OHS, 1995 figures: CSS, 1996).

[3] Adults with less than upper secondary education as a percentage of the population between 25 and 64 years of age, 1995 figures (OECD, 1997:103).

[4] 'Work' refers to the nature of the tasks performed, along with the skills used and the types of interactions required carrying out those tasks (Benner, 2000:3).

[5] 'Employment' refers to the institutional and contractual arrangement between employers and employees (Benner, 2000:3).

job market of the 1950s. People will have to learn to create jobs for themselves rather than wait for someone else to employ them. Evers *et al.* (1998:144-145) urge students and graduates to prepare themselves for lifelong employability (as opposed to lifelong employment) through lifelong learning

In order to tackle the problem of unemployment in South Africa a Presidential Jobs Summit was held in Pretoria on 30 October 1998. Several agreements, commitments and statements of intent were published in a declaration at the conclusion of the summit. A number of the agreements deal with human resource development in the form of training, education and targeted programmes. This investment in human resources will take place in the context of job creation programmes (Department of Labour, 1998). Participants at the Presidential Jobs Summit agreed and committed themselves to the progressive building of South Africa's human capacity.

Various innovative measures for enhancing the skills base of the country have been introduced since the first-ever democratic elections in April 1994 (e.g. the South African Qualifications Authority (SAQA) Act (58/1995), the Skills Development Act (97/1998), the Further Education and Training Act (98/1998), numerous green/white papers and strategies – precursors to these bills, as well as the Green Paper on National Youth Service (National Youth Commission, 1998).

With regard to formal education, the aims were to improve the management in a significant proportion of the country's schools, to reduce 'repeater rates' as a way of improving schooling efficiency and cutting down on the overall cost of education, and to enhance the efficiency of the further education sector (Department of Labour, 1998). In support of the Skills Development Act – aimed at improving the relationship between education, training and the workplace – a major learnership drive in the tourism and hospitality industries and in other sectors of the economy in which there is a growing demand for skills was agreed upon. Those out of work would be targeted in particular.

Training for job creation is not new to South Africa. The Department of Labour has for some time provided (through accredited training providers) training to registered unemployed people, although the success of this initiative is debatable. In its 1995 annual report the department stated that despite spending R32,2 million on training people for entry into the formal sector, only 10 201 (21%) trainees had found employment. According to Blossfeld and Stockmann (1999:14-15), attempts at improving the output and efficiency of vocational training in Britain were only moderately successful, with scepticism expressed by employers and workers as to the reliability and viability of such training. They warn that, especially in developing countries, educational investments will bear fruit only under specific structural conditions. Shackleton, *et*

al. (1995:206) and Middleton (cited in Van Dyk *et al.*, 1997:5) echo this scepticism about reducing unemployment through training intervention.

1.2 RATIONALE AND PROBLEM STATEMENT

The primary purpose of an education and training system is to give individuals the skills they need to get, keep and make progress in work (Evers *et al.*, 1998:153; Murray, 1999:4). The low educational levels of South Africa's human resources and the acute unemployment in the country prompted the South African government to realign its educational and training priorities as a means of getting more people into employment. This is in line with global trends in improving the job skills of the workforce (Neef, 1999:161; Wells, 1999:23), and considerable funds (in developing and developed countries) are allocated for this purpose (Shackleton, *et al.*, 1995:192; Van Dyk *et al.*, 1997:566). Unfortunately, the results of much of the investment in skills formation have been disappointing: it appears that the education and training is frequently not appropriate and responsive to the requirements of the labour market (Martins & Tustin, 1999:23).

1.3 AIMS OF THIS STUDY

The study endeavoured to investigate the structural changes taking place in the workplace, to examine the effects thereof on the demand for human resources, and to consider how education and training can respond to these changes for the benefit of individuals, organisations and the country. The study has twin objectives. The first objective is to identify critical factors that can impact on the success of education and training interventions.[6] The second objective is to develop a framework for the integrated implementation of education and training interventions aimed at getting people into employment.

1.4 METHOD AND SCOPE

The research design is descriptive in nature. According to Adams and Schvaneveldt (1991:287), descriptive research seeks to acquire evidence concerning a situation or population and to identify norms or baseline information that can be used for comparative purposes. The study therefore attempts to provide profiles on and insight into changes in the world of work, the impact on the demand for skills, and how the education and training systems of competitive nations and of South Africa make such skills available.

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[6] The interventions are aimed at providing individuals with the necessary skills to create jobs for themselves and to get, keep and make progress in work.

The study deals with qualitative as well as quantitative issues. Specific questions requiring answers are:

- What factors influence the demand for skills in the labour market?
- How does the education and training system of globally competitive countries respond to changes in the demand for skills?
- Are there best practices that can be followed?
- What inhibiting factors constrain job creation in South Africa?
- What policy framework guides the implementation of skills development strategies in the South African education and training system?
- What are the needs and perceptions of the unemployed regarding employment?

The study has three main components: 1) documentary research, 2) analysis of census and survey data, and 3) model building.

1.4.1 DOCUMENTARY RESEARCH

Pitt (cited in Adams & Schvaneveldt, 1991:287) claims that document-based research is becoming increasingly important. Documentary research can be defined as the extraction of information from the printed mass media and a host of other sources (Adams & Schvaneveldt, 1991:287). Sources such as population censuses, school records, economic records, books, newspapers, magazines, speeches, court records, congressional records, laws and regulations, diaries and personal letters are used for documentary research.

In providing a theoretical foundation for this study, much of the relevant literature was scrutinised and synthesised. Books, journals, periodicals, newspapers, green and white papers, and bills and annual reports published by South African government departments were consulted. In order to identify relevant sources several URICA (HSRC library computerised catalogue) searches were conducted with, *inter alia*, the following keywords: skills development, human resource development, training, education, unemployment, job creation, and economic growth. The documentary research component of the study consists of three parts: a global perspective, a South African overview and a comparison of two provinces.

1.4.1.1 Global perspective

For the sake of a better understanding of factors that influence the demand for skills in the labour market the study includes a global perspective on skills formation in relation to economic development. It provides an overview of how economies develop and the resulting interaction between worker skills and the skill requirements of the available jobs. The attempts of different countries to meet the requirements of their productive systems through appropriate

education and training interventions are also examined. This global perspective acts as a backdrop against which South Africa's economy, labour problems and skills development and job creation strategies can be discussed and comparisons drawn.

1.4.1.2 South African overview

The study contains statistics on the South African economy and labour force, including changes in sectoral gross domestic product (GDP), number of workers, and the sectoral and occupational division of labour, level of education of workers, unemployment and future labour market needs. Past and current South African education and training policies and strategies to create jobs are also examined. Comparisons are drawn between South Africa and other countries in terms of the state of the economy, the state of the labour force and strategies for skills development and employment.

1.4.1.3 Provincial comparison

This part of the documentary research reviews the economies, labour forces and skills formation of two provinces in South Africa (Gauteng and the Eastern Cape). Interprovincial – as well as intraprovincial comparisons are made and the differences examined. Gauteng was chosen as the province with the lowest unemployment rate (28,2%), and the Eastern Cape as the province with the highest incidence of unemployment (48,5%) (Stats SA, 2000a:53). Gauteng is geographically the smallest province – with the Eastern Cape the second largest province in South Africa – but hosts one million more people than the Eastern Cape (Stats SA, 2000a:17). Furthermore, the proportion of urban residents in Gauteng (97% in 1996) (Stats SA, 2000:18) is similar to that of industrial countries such as Belgium and the Netherlands (in 1997) (UNDP, 1999:197). In contrast, the proportion of urban residents in the Eastern Cape (37% in 1996) (Stats SA, 2000:18) reflects the situation found in 1997 in developing countries such as Indonesia and Mozambique (UNDP, 1999:200).

As far as possible the latest available statistical data (e.g. the most recent population census, October household surveys) were used to compile the South African and provincial profiles. The most recent population census for South Africa was conducted in October 1996. However, it does not yield data on variables such as self-employment and employment in the informal sector. These data are collected annually through the October household surveys.

Statistics South Africa's publications on the 1996 population census[7] as well as the statistical releases of the October household surveys provide statistics on a national and provincial level

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[7] *Census in brief* (Stats SA, 1998) and *The people of South Africa: population census, 1996* (Stats SA, 2000a).

only. It was accordingly necessary to obtain additional data through a process of data mining in order to make comparisons between regions in a province (Paragraph 1.4.2).

1.4.2 FURTHER ANALYSIS OF CENSUS AND SURVEY DATA

Two databases were used to extract information for further analysis: 1) Census '96 data for intraprovincial comparisons and 2) data captured for a national study on how unemployed people participate in the labour market.

1.4.2.1 Census '96 dataset

In 1999, the HSRC purchased 14 community profile databases derived from the 1996 population census in flat file (ASCII) format from Statistics South Africa (Stats SA, 1999). Annexure A contains an overview of the profile topics and variables in each community profile. The Census '96 dataset was used, as it is the only source of information on magisterial districts and enumerator areas in provinces. The Development Bank of Southern Africa's demarcation of provinces into regions (see Paragraph 4.4) was used to identify enumerator areas that had to be clustered in order to aggregate data to a regional level.

The 'descriptive', 'education' and 'labour force' databases were mainly used to tabulate regional data on variables such as population and employment distribution (Tables 4.4 and 4.5), dominant sectors (Tables 4.6 and 4.7), level of education of the labour force (Tables 4.9 and 4.11) and unemployment among economically active youth (Table 4.13).

1.4.2.2 Unemployment data

A recent study – conducted by the author for the Human Sciences Research Council (HSRC) – on how unemployed people participate in the labour market was used to obtain information on the needs and perceptions regarding employment of unemployed people in Gauteng and the Eastern Cape. The data gathered through personal interviews with 2 000 unemployed individuals in six provinces during October/November 1998 and January 1999 were captured in a single database and analysed and reported for the total sample. No comparative analysis was done on the responses obtained from the different provinces. Refer to Annexure C for an overview of the research design.

For the purposes of the study on training for job creation, the responses of the Gauteng and the Eastern Cape respondents were analysed using the statistical package for the social sciences (SPSS). The sample for Gauteng was 335 and 336 for the Eastern Cape (n=671). Chapter 5 contains a detailed overview of the empirical design.

1.4.3 CONSTRUCTING A PROCESS MODEL

On the basis of the results of the documentary research and the survey analysis a process model was constructed which captures the factors that may impact on the success of education and training interventions aimed at providing individuals with the necessary skills to create jobs for themselves and to get, keep and make progress in work. The model should be a versatile planning tool for identifying target groups, and for prioritising and implementing skills development strategies in the context of a local socio-economic structure, as well as in the context of the socio-economic structure of South Africa and the global economy.

1.5 LAYOUT OF THE REST OF THE REPORT

In the following chapters, after a global perspective on skills formation in relation to economic development, an overview of the South African economy and of strategies for skills formation and job creation, and an interprovincial comparison between Gauteng and the Eastern Cape, the findings of the empirical study are considered and discussed. Finally, a model is presented on the relation between fundamentally important skills formation processes.

Chapter 2 provides an overview of how economies develop and the resulting interaction between worker skills and the skills requirements of available jobs. This global perspective is introduced as a backdrop against which South Africa's economy, labour problems and strategies for enhancing human capital and creating jobs can be discussed in Chapter 3.

In Chapter 4 comparisons are drawn between Gauteng and the Eastern Cape. The two provinces are in different stages of economic development, and differences in skills levels and educational output are highlighted.

Chapter 5 provides empirical input. The biographical characteristics of the unemployed respondents are presented, followed by a discussion of the findings pertaining to their survival strategies, their job-seeking activities, their expectations with regard to employment and their expectations of government aid and assistance programmes.

In Chapter 6 the common threads running through Chapters 1 to 5 are used to construct a theoretical framework to guide the integrated planning and implementation of effective projects for training for job creation in South Africa.

Chapter 7 summarises all the salient points of the study. The possible implications of the findings for training –for job creation are discussed and specific recommendations made.

CHAPTER 2

2. TRAINING FOR JOB CREATION: A GLOBAL PERSPECTIVE

2.1 INTRODUCTION

Two interconnected forces, namely technical change and the integration of the world's economies into one global economy, have led to the intensification of international competition (Cappelli *et al.*, 1997:26-29; Neef, 1999:2). This has brought about a permanent change in employment relations and an ever-increasing demand for high-level skills, rendering education and training of paramount importance (Ashton & Green, 1996:1; Bhorat & Hodge, 1999:359; Murray, 1999:4).

The number of formal job opportunities throughout the world is decreasing rapidly as economies shift from labour-intensive production to capital-intensive processes (Davis *et al.* 1997[1]). Parallel to the movement away from primary and secondary industries to tertiary and service sectors is a movement within individual sectors away from unskilled and semiskilled occupations to those that require a higher level of skill (Neef, 1999:7; Prais, 1995:4).

In order to understand how changes in the world economy have a bearing on skills trends, we need to look at how economies have developed in order to become competitive. Paragraphs 2.2 and 2.3 give an overview of how economies develop and the resulting interaction between worker skills and the skills requirements of available jobs. The attempts of various countries to meet the requirements of their productive systems at each stage of their development through appropriate education and training policies are outlined in Paragraph 2.5. This global perspective is introduced to provide a backdrop against which South Africa's economy, labour problems and strategies to enhance human capital and create jobs can be discussed in Chapter 3.

2.2 EVOLUTION OF COMPETITIVE ECONOMIES

In all advanced economies the nature of economic growth over time has been shifting relentlessly away from primary production towards secondary and tertiary production (Neef, 1999:4). The *Longman Dictionary of Business English* (Adam, 1982:359) defines the terms 'primary', 'secondary' and 'tertiary' as follows: **primary production** includes those activities that provide man with the gifts of nature, such as all forms of agriculture, forestry, fruit growing, fishing and hunting, and mining; **secondary production** is the manufacturing of finished

[1] The authors have created time series for job creation, job destruction and total job reallocation in US manufacturing industries from 1972 through to 1988.

products from raw materials, and the building of houses, public buildings, factories, roads, ports, etc; **tertiary production** is the performance of services such as banking, insurance, transport and trade (commercial services), and the work done by people in the professions and in the service industries and trades.

Porter (1990:546) provides a useful matrix to explain how shifts in the economy of a country occur and how countries differ in terms of their stage of economic development. This helps us understand how economic development affects the demand for skills and the labour market. It also provides a basis for understanding the complexity of the South African labour market, which is exacerbated by the huge disparities between the provinces.

According to Porter (1990:546), countries can be differentiated on the basis of the stage of competitive development (in international terms) achieved by their industries. He identifies four stages of such development: factor-driven, investment-driven, innovation-driven and wealth-driven. These four stages will now be discussed in some detail.

2.2.1 FACTOR-DRIVEN ECONOMIES

In a factor-driven economy, industries are reliant on basic factors of production such as mineral resources, favourable growing conditions for crops, and an abundant and inexpensive un/semiskilled labour pool (Porter, 1990:547). Factor-driven economies depend heavily on primary sector production (agriculture and mining) and are therefore sensitive to world economic cycles and exchange rates. The majority of employees in a factor-driven economy are concentrated in production, with a few workers dedicated to creating new products (Neef, 1999:5; Porter, 1990:548). Workers with no job skills or work experience can enter the system, make a contribution, and gradually learn enough through on-the-job training to progress to the next level of the job ladder. Hard-working workers can expect to move into supervisory jobs and then into higher management (Cappelli *et al.*, 1997:19).

The beginnings of an apprenticeship system emerged in feudal Europe. The system was based on a master-servant relationship, with the servant receiving accommodation and no pay but learning from the master over a long period of time. This process of skills formation was evident in handicraft production and in commerce. According to Ashton and Green (1996:149), the apprenticeship system provided training to industrial workers during the early period of industrialisation (Paragraph 2.5.1).

2.2.2 INVESTMENT-DRIVEN ECONOMIES

In this phase, investment money (capital) is needed to construct modern, and often large-scale, plants/facilities equipped with the best technology available on global markets (Porter,

1990:548). Competitive advantage in the investment-driven stage is based on the willingness and ability of a country and its companies/businesses to invest aggressively. Investment-driven economies are characterised by a secondary production structure (manufacturing, electricity, gas, water supply and construction) where the use of technology is apparent.

Prais (1995:3-4) distinguishes between two phases in technological progress ('mechanisation' and 'automation') and explains how these phases affect the demand for skills and the employment market. During the first phase of mechanisation, skilled craftsmen (e.g. using basic hand tools to saw and file pieces of metal to size) were replaced by machines operated by un/semiskilled operators (e.g. pushing the pedal of a mechanised power-press). The skilled craftsmen could generally use their superior knowledge and experience to meet the increased demand for tool-setters, supervisors and operators.

2.2.3 INNOVATION-DRIVEN ECONOMIES

The effects of automation become evident during the innovation-driven stage of competitive development. According to Porter (1990:554), in the innovation-driven stage, businesses not only adopt and improve technology and methods from other countries but also often create such technology and methods themselves. The predominant feature of 'automation' – as a result of improved technology – is that the work of numerous unskilled machine operators is done by automatic devices (Prais, 1995:4).

A rise in the capital intensity of production lowers the demand for un/low-skilled workers and increases the demand for more skilled workers who are required to operate and maintain the new capital equipment (Bhorat & Hodge, 1999:349; Neef, 1999:34; Prais, 1995:4). Thus, in effect, a reversal of the effect of 'mechanisation'. Displaced unskilled operators do not have any natural alternative employment since they are not qualified to meet the increased demand for technicians, supervisors and maintenance engineers who can service the automated machinery (Prais, 1995:4). Unskilled workers entering the labour market may find it increasingly difficult to make the transition to good jobs as many employers can no longer provide work-based learning for new hires (Cappelli *et al.*, 1997:13).

During the innovation-driven phase of competitive development, consumer demand becomes more sophisticated because of rising personal incomes, higher levels of education and the increasing desire for convenience (Porter, 1990:553). The tertiary production sectors of the economy satisfy these needs (e.g. trade and tourism, finance and insurance, transport and communication, and government, personal and social services). Businesses in an innovation-driven economy compete internationally in more differentiated industry segments and rely on

high skills levels and advanced technology to decrease costs and increase production (Porter, 1990:554).

This market and performance orientation further reduces unskilled, entry-level jobs and changes the hierarchical composition of the workforce towards self-supervising employee teams. The shift in economic activity towards trade and service industries can also be ascribed to the increasing use of contingent employees (contract, part-time and temporary workers). Under these new arrangements, employees share much more in the risks of doing business, take on more of the responsibility for managing their own careers, and find that their relationship with management is governed to a greater extend by market forces (Cappelli *et al.*, 1997:4; Douthwaite, 1996:27).

2.2.4 WEALTH-DRIVEN STAGE

In the wealth-driven stage, businesses begin to lose their competitive advantage. When this happens, many domestic industries downsize and resort to competing on price. Sluggish wage and job growth and rising unemployment further blunt incentives to improve productivity. A common symptom of the wealth-driven stage is widespread mergers and acquisitions. The decline can be protracted until something jars the economy into action again (Porter, 1990:556-558).

In the next section we examine the global labour market, which is characterised by large-scale job destruction.

2.3 STATE OF THE GLOBAL LABOUR MARKET

Unemployment is becoming a global problem. According to the International Labour Organisation's *1996 Yearbook of Labour Statistics* (ILO, 1996:397-405), of the 30 countries with an unemployment definition similar to that of South Africa,[2] 17% at the time had an employment rate higher than 10%, with Algeria the highest at 24%. In Europe, countries such as Spain, Finland, Norway, Sweden and Germany, all experienced increases in unemployment rates of between three and 13 percentage points between 1986 and 1995. Furthermore, it is estimated that up to 30% of the total world labour force (820 million people) is currently unemployed or underemployed (Fourie, 1999:360). An estimated 120 million people worldwide are officially registered as unemployed.

[2] According to Stats SA (2000:52), the overall unemployment rate (expanded definition) in the country at the time of Census '96 was 33,9%.

The number of job opportunities in the formal sector of the global economy is indeed decreasing. An analysis of gross job-flow statistics in US manufacturing industries from 1972 to 1988 reveals that for every three jobs destroyed in a recession only two jobs are reinstated or created during the following expansion in the economy (Davis *et al.*, 1997:92). In the case of more recent recessions the prospects are even gloomier. For example, only 15% of those laid off in the 1992-1993 recession in the US were reinstated (Cappelli *et al.*, 1997:175). This means that economic recovery may reduce unemployment somewhat, but it will not be enough to restore the number of jobs to their level before the downturn (Douthwaite, 1996:14; Shackleton *et al.*, 1995:197). The increasing level of unemployment is attributable to changes in the way the global economy works.

The global economy left Porter's factor-driven stage behind some time ago and is currently in the innovation-driven stage, increasingly moving towards the wealth-driven stage. The progressive destruction of jobs worldwide is attributed to several related developments, such as new technologies, smarter management techniques, the opening up of national boundaries and mergers (Aronowitz & DiFazio 1994:3-4; Sunter, 1999:10). The relentless application of technology has destroyed jobs and reduced workers' living standards (Cappelli *et al.*, 1997:183; Douthwaite, 1996:25). Informatics is displacing not only manual, but also technical and scientific labour. In their book, *The Global Trap*, Martin and Schumann (1997:103-110) explore the spread of globalisation and the likely consequences for jobs and democracy. They foresee a technological future in which only a fifth of the world's current workforce will be needed, increasing the global unemployment rate to 80%. They confirm the morbid picture painted by Barnet (1993:52) that a worldwide job crisis is threatening not only global economic growth but also the capitalist system.

Employers have responded to increasing global competition and rapidly changing technologies and markets by pursuing a range of flexible production and employment practices. Steady, full-time jobs with good benefits are becoming rare due to automation, the increasing use of subcontractors, suppliers and temporary workers, and the reorganisation of the workplace in order to increase productivity (Barnet, 1993:48; Badenhorst, 2000:29; Benner, 2000:1; Douthwaite, 1996:41; Neef, 1999:102-105).

The changing world of work – induced by economic development – demands an increasingly flexible and highly skilled labour force as customary jobs, activities and occupations are disappearing and being replaced by new ones (Neef, 1999:16; Wells, 1999:23). As a result, in most innovation-driven economies there is mounting tension between the requirements of the job structure and the structure of the qualifications of the employed population. These disparities manifest themselves in the *excessive supply* of unskilled labour or of workers with

obsolete qualifications (resulting in high unemployment rates), as well as in *labour shortages* in new skilled jobs (Blossfeld & Stockmann, 1999:3).

Rapidly changing technology and market conditions have proved very harmful for groups such as unskilled workers, older workers, the young, women, public employees and those living in rural areas (Douthwaite, 1996:13-29). As the excess supply of unskilled workers has grown, their wages have continued to decline. People losing their jobs due to changes in employment practices find that they lack the required skills to move to the new jobs now available in the changing economy (Murnane & Levy, 1996:3). Furthermore, what a high school graduate has to offer most employers in the global economy is no longer in demand (Cappelli *et al.*, 1997:165).

2.4 SYNTHESIS

Although many countries are experiencing economic growth and are becoming increasingly competitive, more and more workers are joining the ranks of the unemployed, while those in employment are experiencing declining real wages and job security. These trends are ascribed to the shift from labour-intensive production to capital-intensive processes as economies evolve from being factor-driven to becoming investment-, innovation- or wealth-driven. In tandem with the stage of competitive development of a country there is a shift in emphasis from primary and secondary industries to tertiary and service sectors. This, in turn, prompts individual sectors to move away from unskilled and semiskilled occupations to those requiring higher levels of skill.

The big question is how do competitive nations – such as the United Kingdom (UK), the United States (US), Germany, Japan and the East Asian countries – link education and training to changes in their productive systems in order to avoid unemployment.

2.5 SKILLS FORMATION OF COMPETITIVE NATIONS

The basic economic and political model of a country moulds the fundamental relationship between the education system and the occupational system in that country. The skills of the workforce are accordingly an increasing determinant of a country's economic success in the competitive global economy (Ashton & Green, 1996:95; Griffiths & Jones, 1980:8; Murry, 1999:4; Van Dyk *et al.*, 1997:9). When people acquire skills they not only become more productive in terms of producing more output for a given amount of time and effort, but they commonly also make themselves more adaptable to changes in the workplace (Badenhorst, 2000:29; Booth & Snower, 1996:1; Wells, 1999:24). Education and training should therefore

be appropriate and responsive to the requirements of the labour market as well as to individual desires and social needs.

For Ashton and Green (1996:3) the central issue for discussion in all industrialised countries is the manner in which the education and training system can be improved and skills raised.

2.5.1 SKILLS FORMATION OF 'FIRST-WAVE INDUSTRIAL NATIONS'

The Industrial Revolution of the eighteenth and nineteenth centuries transformed the economies of England and America from agricultural to highly industrialised economies (Goodey, 1996:181; Theron & Van Staden, 1996:549). Both countries started industrialisation with a low-skilled workforce. According to Ashton and Green (1996:119), the early forms of factory and industrial organisation in the UK were a combination of craft skills together with the intensive use of unskilled labour, as in the iron and mining industries (primary sector), and in textiles and engineering (secondary sector). The dominant form of training was the apprenticeship system through company-specific on-the-job training.

Although the UK had the first machine-based system of production, scientific and technical education was not immediately introduced into schools (Ashton and Green, 1996:122-123). Secondary schooling was provided to the masses during the Second World War but the introduction of technical education on a large scale was resisted on the grounds of cost and due to a lack of demand from employers. Education for the masses took place through an academic curriculum that bore little relationship to their needs as workers and which was not linked in any direct way to the technical requirements of the productive system.

Similarly, the US success with mass production was built on the availability of cheap raw materials and abundant, but low-skilled labour. Few demands were made on the intellectual skills of the employee, and there were no demands from employers for more highly educated school and college leavers (Ashton & Green, 1996:129). It continued to be sufficient for the schools to turn out workers who could accept the demands of the new routines associated with mass production. However, the new science-based industries and the mass production industries created a significant demand for new technical and managerial skills. The response from the educational sector was the creation of management schools and significant growth in the provision of relevant courses.

Growing competition from US and German industries compelled the UK to introduce a levy on employers to force them to provide training for their workers. The Training Board Levy was introduced in the 1960s through a series of decentralised, industry-based, training boards. However, due to resistance from employers, the levy was abolished after two decades. Critics argued that a cumbersome bureaucracy had emerged as a result of the excessive number of

training boards, and that the training provided was too narrow and specialised (Edwards, 1997:190).

Under Margaret Thatcher, control of the curriculum and university education was centralised and more diversified forms of education delivery were introduced. However, attempts to increase the vocational component of education once again failed. The result was the increasing polarisation of the skills base in the UK (Ashton & Green, 1996:124-125; Porter, 1990:507).

Similarly, in the United States a large section of the population is experiencing declining real wage rates, poor levels of educational achievement and low-level skills, and insufficient access to work-based training (Porter, 1990:553). The collapse of major parts of the manufacturing sectors of the two countries is causing a decline in the generation of intermediate-level skills. Many of those entering low-skilled jobs and unemployment are being increasingly marginalised in the labour market (Ashton & Green, 1996:133). This has obliged the US government to encourage employers to take the initiative in improving training provision through the introduction of Private Industry Councils (PICs). The purpose of these reforms and associated institutions is to enable employers to control the delivery of those government resources devoted to training, as they (the employers) are more sensitive to the demands of the market (Ashton & Green, 1996:180).

More recently – in acknowledgement of the fact that the lack of skilled people is constraining business growth in the UK – several strategies have been introduced to enhance the skills of the labour force (Hoare & Jolly, 1999). One example is the newly established network of National Training Organisations (NTOs). NTOs play a vital role in identifying national labour market trends in different industries and in addressing skills shortages (Powell, 1999:43-46). Employers are given the opportunity to say what skills are needed in their industries and how these skills can be attained. Data on skills issues cover recruitment difficulties in different industries, including regional variations; the industries experiencing the most serious skills shortages and the factors contributing to these shortages; changes such as technological advances that are impacting on skills; and future skills needs.

Another strategy was to introduce programmes such as modern apprenticeships and national traineeships through Training and Enterprise Councils (TECs) (Bierhoff & Prais, 1997:98; Lord, 1999:31). Modern apprenticeships started on an experimental basis in some sectors in 1994 and were then implemented on a wider scale from September 1995. Both programmes are employer-led training schemes, where school leavers and local firms work side by side. The number of people in modern apprenticeships as at March 1998 was 118 300. According to Lord (1999:31), an increase of 44% on the previous 12 months. School leavers aged 16 and

older are offered a pathway into employment, learning vocational skills through on-the-job training, with occasional external study focused on workplace interaction and people skills. Employers are given the opportunity to cultivate a valued individual who meets the particular requirements of their firm.

NTOs for each occupational sector are responsible for developing the agreed training frameworks for modern apprenticeships and national traineeships, in relation to the requirements of their particular sector (Powell, 1999:45). Industrial variations can thus be reflected in the design and delivery of the training in respect of specific employers.

Finally, in 1998, the Employment Service in the UK launched the government's New Deal programmes for people aged 18-24 and also for older people who have been unemployed for more than two years (Lewis, 1999:34). As an executive agency of the Department of Education and Employment, the Employment Service has some 33 000 employees, most of whom work in more than 1 000 job centres throughout the country. Their main function is to get the unemployed back to work while helping employers fill jobs.

For people aged 18-24 who have been unemployed for six months or longer, the New Deal offers four options – all of which last for at least six months and include education or training towards qualifications (Lewis, 1999:35). Through the first option (the Employment Option) employers receive a weekly subsidy for up to six months for each person they employ in terms of the scheme. A further grant is payable to fulfil the obligation to provide the trainees with training equivalent to one day a week towards a recognised qualification. Those recruited in this way become employees under the employers' usual terms and conditions. The New Deal also helps unemployed young people start their own businesses.

In terms of the Education and Training Option (which can last up to 12 months), young people have the chance to work towards qualifications that will increase their employability, by attending a college or other training provider. With this option, young people receive an allowance equal to their Jobseeker's Allowance.

Those who opt for the third option (the Environment Task Force Option), work for up to six months on projects that can improve their employability while also improving their community's environment. They may be paid a wage but, if not, they receive an allowance equal to their Jobseeker's Allowance, as well as benefits and a grant paid in weekly instalments. In every case they are given training towards a recognised qualification.

Under the last option (the Voluntary Sector Option), participants are offered the opportunity to work for up to six months with a voluntary organisation. The work they do must benefit themselves, the organisation and its clients, as well as the wider community. They can be paid

a wage but, if not, they receive an allowance equal to their Jobseeker's Allowance, plus benefits and a grant paid in weekly instalments. As with the Environment Task Force Option, they receive training towards a recognised qualification.

Jobseekers over 25 who have been unemployed for two years or longer can now also benefit from the New Deal programme (Lewis, 1999:36). A skilled personal adviser helps them identify what they can offer an employer and the type of work they want to do. They then receive intensive, practical assistance in finding a job over a period of up to six months. Unemployed jobseekers have the opportunity to retrain or study full time for up to a year while still receiving a Jobseeker's Allowance. Or they may embark on a three-week work trial, while still on their allowance, so that they and the employer can assess without obligation how they may be able to work together. Employers are subsidised for up to 26 weeks for each person they recruit under the programme.

2.5.2 SKILLS FORMATION OF 'SECOND-WAVE INDUSTRIAL NATIONS'

The 'first-wave' industrial nations (the UK and the US) had industrialised on the basis of the old craft technology, harnessing it to steam power for mass production. For the 'second-wave' industrial nations, such as Germany and Japan, the 'new' process and mass production technologies of the second industrial revolution were available to them very soon after the start of their drive towards industrial maturity (Ashton and Green, 1996:138). Germany became an industrial powerhouse in the late nineteenth century when it achieved world-class status in science and technology (Dekker, 1996:66; Porter, 1990:715). According to Porter it has been an innovative-driven economy ever since. Similarly, Japan has made a remarkable transition from the factor-driven to the innovation-driven stage in the post-war period (Porter, 1990:569-560).

'Second-wave' industrial nations had the opportunity to learn from the nations of the first wave of industrial development but were faced with the challenge of catching up if they were to develop the industrial capacity to safeguard their independence in the competition between nations (Ashton and Green, 1996:138). The attempt to catch up had a powerful influence on the relationship between the processes of state formation and industrialisation and skills formation. The education and training systems that developed were more closely geared to the demands of the productive system. This is ascribed to the fact that the German and Japanese governments deliberately used state resources to speed up the process of industrialisation (Ashton and Green, 1996:139, Dekker, 1996:66; Pretorius, 1996:336).

In both countries an alliance between business, government and workers was formed to promote partnership between the state and the private sector and to develop enterprise

intervention strategies (Booth & Snower 1996:3). Within the context of a market system the alliance planned for long-term growth and set targets for technological breakthroughs. This strategy drove all the parties in the alliance in the direction of higher value-added production and introduced new ways of organising production in order to achieve a competitive advantage in world markets (Ashton and Green, 1996:139). Part of this agenda was to develop a highly skilled labour force on which to build new industries (Porter, 1990:139). As a consequence both countries established a combination of state provision of general education and employer provision of work-based learning.

Germany introduced a national system of technical education, geared to the demands of industry, and established a dual system of apprentice training (Porter, 1990:369). Dual in the sense that training occurs at two sites: the vocational school (*Berufsschule*) and the place of work. Training was standardised and regulated at national or industry levels. The efforts of the state, employers and unions were directed at extending the process of skills formation downwards from the professions to the level of intermediate skills. According to Ashton and Green (1996:143), this was a process that did not happen in the US and in the UK.

In the German dual system the off-the-job training financed by the state is intended to provide the theoretical knowledge needed for industry, and also basic education in the requirements of citizenship. The off-the-job learning takes place mainly in part-time vocational schools, although some training is also given at full-time vocational schools (*Berufsfachschule*) (Dekker, 1996:98). Learning on the job is generally organised on the basis of a contract between the employer and the trainee. The on-the-job training is characterised by its systematic nature, as defined by the syllabus and the presence of the *Meister*, who is skilled in the art of teaching apprentices (Cantor, 1989:105). The dual system obliges employers to adopt product market strategies, thus enabling them to make the most of these highly trained workers, and to use technology to develop systems of diversified quality production (Ashton & Green, 1996:144).

Vocational training covers almost all sectors of the economy in Germany, including banking and insurance, health and personal services, retailing, as well as manufacturing and agriculture (Dekker, 1996:99). The coverage of the 'dual system' is considerable, not only in terms of sectors but also in terms of the proportion of young people who enter the system. About half of those reaching school-leaving age go into apprenticeships in Germany compared to less than a sixth in France (Edwards, 1997:178).

In Japan, the resources of the state were used to establish and develop industries with high value-added production until these industries were capable of tackling world markets (Porter, 1990:235). State educational provision, based on an academic curriculum, was expanded and the system of higher education was modified to produce engineers for the private sector to

meet the demand for scientific and professional personnel (Pretorius, 1996:336). This led to a high level of mass achievement in basic skills in mathematics, science, technology and language, on which firms could build advanced work-based skills through a system of lifetime employment (Ashton and Green, 1996:139; Stiglitz, 1996:165).

Employers had opposed earlier attempts (1880 and 1920) to introduce craft apprenticeship training into Japanese schools (Ashton & Green, 1996:148-150). They preferred work-based apprenticeships and ongoing in-house retraining of craftsmen for their supply of skilled workers, while the education system remained as a route to higher status occupations. Following the Second World War, vocational education was integrated into mainstream education for those over 15 (Porter, 1990:706; Pretorius, 1996:354). The Ministry of Labour was also established with a view to controlling standards of training in industry. A national system of trade certificates was introduced in an attempt to raise the status of blue-collar workers (Ashton and Green, 1996:148-150).

Although Germany and Japan have succeeded in providing industry with the required human capital, both systems of training have their own problems (Ashton & Green, 1996:153). The co-operation of government, industry and unions in the process of training means that change is slow. Although there is an element of co-ordination, education and training policy in Germany and Japan remains loosely linked to industrial policies. Although the apprenticeship system in Germany has ensured that skills across manufacturing and service industries have been developed, the system lacks a strong component of lifetime learning. By contrast, the Japanese system is one of ongoing work-based learning vested in the manufacturing sector, resulting in a deficiency in skills development for the service sector (Ashton & Green, 1996:154; Edwards, 1997:182).

2.5.3 SKILLS FORMATION OF 'THIRD-WAVE NATIONS'

After the Second World War the 'third-wave' industrialised countries of the Asia Pacific Rim (Korea, Singapore and Taiwan) had to create an industrial base and break into international markets already controlled by European, Japanese and American companies (Ashton & Green, 1996:155-156). These newly industrialised economies (NIEs) had the opportunity to learn from first-wave and second-wave models of industrialisation. Japan had provided them with an example of how late developer countries could, through concentrating their efforts on selected products, successfully enter world markets (World Bank, 1993:8). Like the Japanese but unlike the Germans, they did not have a strong craft-base tradition on which to build a training system and control the activities of employers (Ashton & green, 1996:156). Neither had they (apart from South Korea) an extensive network of large indigenous employers, as found in Japan, who could be relied upon to provide a system of lifetime skills formation at

work. The NIE leaders used the Japanese model to guide their overall strategy, but took state intervention further than the Japanese. The NIE governments realised that they could not afford to leave the process of work-based learning to employers, as had the leaders of the older industrial economies. The result has been a massive investment in human resource development (World Bank, 1993:20).

The NIE governments are dedicated to the task of securing economic growth (Van Dyk *et al.*, 1997: 3-4). As a result, it became the function of the state to monitor and anticipate changes in world markets and in the productive system, and to manage the process of skills formation (Ashton & Green, 1966;157-158; Stiglitz, 1996:151-153). An effective education and training infrastructure had to be developed to accomplish the following objectives:

- to provide the basic skills in mathematics, language, science and technology required by industry (Ashton & Green, 1996:158; Stiglitz, 1996:157; World Bank, 1993:21)
- to ensure that the technological skills required for the most advanced forms of production were transferred from the older industrial countries and their multinational organisations and reproduced internally (Ashton & Green, 1996:158, Stiglitz, 1996:153)
- to anticipate changes in the skills required for the next phase of adaptation to world markets and to provide the mechanisms whereby these skills could be generated (Ashton & Green, 1996:158; Stiglitz, 1996:154).

Two important factors contributed to the high degree of autonomy achieved by NIE governments. The first was the establishment of efficient, modern systems of bureaucratic administration staffed by technically competent officials (Ashton & Green, 1996:155; World Bank, 1993:17). This ensured that the political and industrial policies of government could be implemented relatively free of corruption and the immediate interests of capital and labour (Stiglitz, 1996:157). The second was the absence of (or weakly developed) secondary associations commonly found in the West, such as trade unions, professional organisations and local political authorities. This made it easier for the NIE governments to manage capital and labour (Ashton & Green, 1996:159; World Bank, 1996:25).

The Singaporean government, in particular, co-ordinated the changes in education and training policy to facilitate the successful execution of its trade and industry policies. Ashton and Green (1996:160) distinguish three broad phases in the development of the Singaporean economy. In each of these the state played an important role in bringing about changes in the economy. The first phase was characterised by the introduction of labour-intensive industries to achieve government's aim of full employment.

In the first phase, inward investment from multinational corporations was deliberately attracted in order to establish a strong manufacturing base, founded on the availability of low-wage

labour. These types of industries required unskilled and semiskilled labour which could be trained on the job to perform routine operations. This made minimal demands on the education and training system, and little investment in education was needed. All the state had to do was provide a literate population capable of following basic instructions. Consequently, basic literacy was taught through primary education with only limited provision of secondary and higher education (Ashton & Green, 1996:161-162; Beng, 1997:93).

The second phase in the development of the Singaporean economy was characterised by the introduction of higher value-added production. The aim was to reduce reliance on low-wage, labour-intensive industries and replace them with capital-intensive, higher value-added industries (Ashton & Green, 1996:162-163; Edwards, 1997:186; Porter, 1990: 566). To ensure that the required human resources were in place the government broadened the provision of secondary vocational and technical education, and developed a new training infrastructure under the auspices of the Vocational and Industrial Training Board (VITB). However, the speed of Singapore's development meant that many of those who left the education system in the colonial era and in the early stages of Singapore's independence still had literacy and numeracy deficiencies.

According to Ashton and Green (1996:163), the Singaporean government did not wait for changes in the system of initial education to increase the stock of skills slowly over time, but immediately addressed itself to the employed adult labour force and improved the basic skills of those already in work. To enhance the skills of mature workers a series of programmes were launched (e.g. the Basic Education for Skills Training (BEST) programme, the Modular Skills Training programme (MOST), the Worker Improvement through Secondary Education programme, and the Core Skills for Effectiveness and Change programme) (Beng, 1997:101). These programmes, delivered in modular form through institutes and employers, provided a progression route for such workers either to continue their education to secondary school level or to enhance their work-based skills.

In addition to enhancing the skills of those already in the labour force, the government sought the co-operation of multinational corporations to set up a series of joint industrial training centres (Ashton & Green, 1996:158). As part of the deal to attract these corporations the government persuaded them to establish joint ventures which would ensure that the skills required by the new companies were available locally; additional training would also be given to embed those skills in a broader population and thus make them available to other businesses (Ashton & Green, 1996:163).

The third phase of economic development in Singapore has been characterised by the growth of knowledge-based service industries (Ashton & Green, 1996:163-164). In this phase the

education system has been upgraded with the aim of bringing it into line with the most advanced systems in the older industrial countries (Beng, 1997:121). Emphasis is placed on upgrading technical and intermediate-level skills. In addition, training policy has been refocused on enhancing intermediate work-based skills and, crucially, on improving the use of the workplace as a source of learning. Government policy has been to place less emphasis on manufacturing and more on making Singapore the financial centre of the region. Manufacturing capital has been encouraged to move into the lower labour cost areas of the hinterland.

To achieve these new educational goals the Singaporean government studied educational practices in Germany and Japan, which it considered to be the most advanced countries, and found that the teaching of the working language and mathematics amounted to 50% of curriculum time in the primary school (Ashton & Green, 1996:164). However, in Singapore the problems posed by bilingualism (English and the mother tongue) meant that if children in primary schools were to have sufficient exposure to both languages, there would be less time for other subjects. The solution, currently being tested through the 1990 educational reforms, is to introduce a preparatory programme for all five year olds to compensate for the heavier demands made by the bilingual environment.

In order to ensure that school leavers had mastered the basic skills needed for them to develop further at work, it was decided that all young people should have ten years minimum general education and enhanced forms of technical education (Ashton & Green, 1996:164). The Vocational and Industrial Training Board (VITB), renamed the Institute of Technical Education (ITE) in 1992, now only takes on young people for technical training after they have completed this basic education. The ITE offers much higher skill content courses, enabling those following the vocational route to proceed to further education at the polytechnics and universities.

In the third phase, the programmes the government had established to enhance the skills of those who had missed out on their primary and secondary education (BEST and MOST) are starting to run down as the target pool diminishes (Ashton & Green, 1996:164). The emphasis has moved towards enhancing the process of work-based learning. It became evident in the late 1980s that while improvement in the quantity of training undertaken was important, the new growth industries of the 1990s demanded not just competence in technical skills but also the ability of workers to show greater flexibility and develop the skills needed to tackle unforeseen problems. In these new circumstance learning at work took on greater importance. Improvements were made to the apprenticeship system by the introduction of the New Apprenticeship Scheme in 1990 (Ashton & Green, 1996:165). Modelled closely on the German dual system, it was targeted at employers with the capacity to train their own workers.

While the apprenticeship model was the preferred form of educational and training provision, not all Singaporean employers adopted it; consequently other forms of intervention had to be found if the labour force as a whole was to enhance its skills level (Ashton & Green, 1996:164-165). First, employers were provided with a series of programmes which assisted them in organising and implementing their own training. Second, after studying other countries, ways were found to help firms enhance the quality of their own on-the-job training (Ashton & Green, 1996:165). The task of helping employers organise and implement training was done through the Training Grants Scheme (TGS), under the auspices of the National Productivity Board (NPB) and funded by the Skills Development Fund (SDF). The TGS comprises a series of schemes focused on helping employers improve particular aspects of training (Edwards, 1997:187). The largest of the schemes, the Worker Training Plan, encourages companies to undertake systematic training through an annual plan. Incentives are paid under certain conditions, for example, when training in emerging and critical skills, when training the over-40-year workers ('skills lost generation') and training in small companies (Martins & Tustin, 1999:34).

Another way to improve the quality of training, identified by the NPB, was the more widespread use of structured, on-the-job training (OJT) (Ashton & Green, 1996:166). A task force was set up with the Economic Development Board and the Institute of Technical Education to identify the core skills needing development through on-the-job training schemes. The focus of government concern about on-the-job training has shifted from the provision of flexible workers and multiskilled workers to the task of skills deepening. The NPB is working with other government departments to identify leading edge companies with potential for skills deepening. These are seen as companies experiencing rapid growth and having the potential to compete successfully in regional and international markets. The NPB is collaborating with such companies to develop and design training programmes to deepen core job skills.

The integration of skills formation and trade and industry policies requires a high level of co-ordination at government level. To this end a series of important links have been established between the various departments involved in assessing national human resource needs and those departments charged with ensuring that these national needs are met (Ashton & Green, 1996:170). The Ministry of Trade and Industry (MIT) is responsible for seeing to it that the economy is geared to the demands of the market so that it can achieve the government's vision. In identifying future human resource needs the MIT relies on agencies such as the Investment Board, which sells the benefits of investing in Singapore and, while negotiating with foreign capital, is in a position to identify the future demands on the country's human resources that such investment is likely to make. The MIT then collates the information on the future demand for human resources and maps it against academic projections of the likely state of

labour (human resource) supply. The results provide the basis for identifying the country's skills needs.

The Economic Development Board translates the information on the country's skills requirements into targets for the Council for Professional and Technical Education (Ashton & Green, 1996:170). First established in 1979, this national body chaired by the Minister responsible for Trade and Industry sets targets for education and training at all levels. The council institutionalises the link between trade and industry policy and the education and training system, and thereby ensures that the human capital requirements of the new industries inform the process of target setting. The council breaks down the overall target into specific targets for the universities and polytechnics, the schools and the Institute of Technical Education, and ascertains whether these targets can be met or whether new institutions or policy initiatives are needed to meet them. For this exercise the council requires feedback from the education and training authorities. If the government cannot meet the targets from indigenous institutions they then consider importing the required skills. In this way each sector – higher education, schools and the Institute of Technical Education – has its own targets for student numbers and for levels of achievement. The targets set for the education system were to have 25% of young adults either in junior colleges or universities, 40% in polytechnics, 25% in Institute for Technical Education programmes, with a dropout rate of 10% by the year 2000. However, the dropouts are not regarded as lost to the system: once they have gained some work experience, they are included in government programmes aimed at enhancing their work-based skills.

Other government departments and agencies are also involved in ensuring that the human resources required to achieve the government's vision are in place. Thus, while the National Productivity Board has a different focus, being concerned with employer-based training, it too has its own targets. According to Martins and Tustin (1999:34) the SDF has contributed to persuading individual employers to increase their spending on training from 1,5% of payroll in 1986 to 2,3% in 1990. One of the NPB's 'vision goals' for 1995 was for organisations to double their training investment to 4% of their payrolls, the estimated percentage the better corporations in the world spend on training (Ashton & Green, 1996:170-171).

The quotas for numbers and performance targets are incorporated by the higher education institutions, schools, the ITE and the NPB in their own plans. The performances of the respective institutions are subsequently systematically evaluated against the targets. Within the ITE, training plans are formulated on a five-year basis but are rolled over every two years. When any revision occurs the Trade and Industry Ministry has a significant say in the revision. This ensures that the future demands of the economy are constantly borne in mind and inform any revision of targets. The idea is thus that the education and training system as a whole will

respond positively to the future human resource development needs of the economy (Ashton & Green, 1996:171).

Various problems are attached to the Singaporean approach to skills formation (Ashton & Green, 1996:171-172). In the first place, risks are involved in attempting to identify the next generation of leading edge industries which will ensure the continuation of the country's high economic growth rate. As Singapore enters the ranks of the most advanced nations it will become even harder to predict those industries that will deliver high rates of future growth. It is therefore difficult to evaluate the effectiveness of the latest investment in work-based skills as the results of the investment will not be known until some time in the future.

Other problems are also associated with the strategies adopted by the Singaporean government. While the Skills Development Fund was meant to ensure a higher level of training among the smaller companies, it is still the larger companies that tend to take advantage of the training subsidies provided. By importing capital through multinational corporations and creating an education system geared to producing high-level administrators for the state bureaucracy, Singapore has failed to develop a large enough group of indigenous entrepreneurs. By contrast, in Hong Kong the exclusion of the indigenous population from the upper ranks of the civil service meant that the efforts of the local population were more focused on the development of local companies.

2.6 SYNTHESIS: LEARNING FROM THE EXPERIENCES OF OTHER COUNTRIES

There is nothing automatic about the relationship between educational investments, human capital formation and economic growth. Educational investments can be effective only under specific structural conditions. These include:

- an education system of demonstrably adequate efficiency (Blossfeld & Stockmann, 1999:18) that is capable of inculcating in the large majority of school children at least intermediate-level academic and vocational skills (Ashton and Green, 1996:100)
- comprehensive means of access to the education system (Blossfeld & Stockmann, 1999:18)
- the existence of a demand among learners for certain occupations and courses of study – and not their avoidance because they lack prestige (Blossfeld & Stockmann, 1999:18)
- consensus among the key agents involved in the skills formation process (Ashton & Green, 1996:185)
- policies that influence the demand for skills (Ashton and Green, 1996:185)

- the existence of labour opportunities in various economic sectors (Blossfeld & Stockmann, 1999:18)
- the general recognition of educational credits as entrance qualifications for given occupations (Blossfeld & Stockmann, 1999:18), and a means of maintaining incentives for individuals to participate actively in their own and others' skills formation (Ashton & Green, 1996:185)
- a system of social or legal regulatory practices which compels individual employers to provide good quality workplace training, and an institutional means to allow continuing work-based skill formation to be complemented by periodic spells of off-the-job training (Ashton & Green, 1996:102)
- a flexible labour market (World Bank, 1993;25)

Governments seeking to influence the behaviour of employers have tried a number of 'solutions' such as training levy schemes, apprenticeship systems and private or local industry/enterprise councils. The most common has been the imposition of a levy or tax on employers which can be used to reward employers who provide training and to penalise those who are 'free riders', that is living off the investment in training made by the 'good' employers (Ashton & Green, 1996:179). Countries that have attempted or are using a training levy system include the following:

- The UK introduced a levy on employers in the 1960s, which was subsequently abolished (Paragraph 2.5.1).
- In France the *taxe d'apprentissage* was initiated in 1925 and has been substantially modified since then. Increasingly the tax has been used to support forms of entry-level training other than apprenticeships. In the field of continuing education and training (*formation professionnelle continue* - FPC) the legislation of 1971 and 1984 put in place a system whereby all enterprises employing ten people or more had to allocate a specified minimum proportion of their payrolls to expenditure on FPC (Shackleton *et al.*, 1995:146).
- In Australia a training levy, based partly on the French experience, was introduced in 1990 in the form of the Training Guarantee Scheme aimed at increasing the level of employer expenditure on training. Unlike the French scheme – but similar to the scheme in the UK – it encountered strong opposition from employer organisations and was suspended in 1994 (Ashton and Green, 1996:179).

Associated with the attempts to enhance employer-led training, through training levies, are developments in the apprenticeship system, the most successful of which is the German apprenticeship scheme referred to in Paragraph 2.5.2. Similar well-developed schemes have been established in Austria and Switzerland (Ashton & Green, 1996:180). A less well-developed scheme (the Modern Apprenticeship Scheme) has recently been introduced in the

UK (Paragraph 2.5.1). Several entry-level skills enhancement schemes such as the Commonwealth Rebate for Apprentice Training (CRAFT), the Australian Traineeship System and the Group Training Scheme In Australia make provision for apprentice/traineeship training in Australia (Martins & Tustin, 1998:35).

Other policies to enhance employer-led training include the attempt by the US government to encourage employers to take the initiative in improving training provision through the introduction of Private Industry Councils (PICs). This initiative was later duplicated by the UK government in the form of Training Enterprise Councils (TECs) in England and Wales and Local Enterprise Companies (LECs) in Scotland (Paragraph 2.5.1). The purpose of these reforms and institutions was to place control of the delivery of those government resources devoted to training, in the hands of employers who would be more sensitive to the demands of the market (Ashton & Green, 1996:180).

Within the same framework, another approach has been for the state to leave the training of younger and older adults almost entirely to employers, but to invest heavily in education so that those entering the workforce have a good grounding in important subjects. Employers can then build on this in enhancing the skills base of their labour force. According to Ashton and Green (1996:180), this approach has been tried in Canada and Ireland.

The ability of the NIEs to link education and training to continuous change in the development of the productive system, provides a model that offers institutional flexibility and the possibility of catching up fast with the older industrial nations (Paragraph 2.5.3). Ashton and Green (1996:188) believe that such a model may be appropriate for countries like South Africa with a large unskilled labour force, with low levels of literacy, and with a political imperative to create a more equitable distribution of income.

The structural conditions listed earlier and the strategies to enhance employer-led training can become objectives which – according to Ashton and Green (1996:185) – should form the basis of an evaluation of the skills formation system in any country. In addition to the checklist of requirements, however, they emphasise the importance of seeing the development of education and training institutions in a historical context. With this perspective one can better assess the possibilities for institutional change.

2.7 SUMMARY

Although many countries are experiencing economic growth and are becoming increasingly competitive, more and more workers are losing their jobs, while those in employment are experiencing declining real wages and job security. These trends are ascribed to the shift from labour-intensive production to capital-intensive processes, as economies evolve from factor-

driven to investment-, innovation- or wealth-driven formats. In tandem with the stage of competitive development of a country the emphasis shifts from primary and secondary industries to tertiary and service sectors. This, in turn, prompts individual sectors to move away from unskilled and semiskilled occupations to those requiring a higher level of skill.

International experiences with skills formation reveal that there is nothing automatic about the relationship between educational investments, human -capital formation and economic growth. Educational investments can be effective only under specific structural conditions.

Governments seeking to influence the behaviour of employers have tried a number of 'solutions' such as training levy schemes, apprenticeship systems and private or local industry/enterprise councils. Associated with attempts to enhance employer-led training, through training levies, have been developments in apprenticeship systems, the most successful of which has been the German apprenticeship scheme.

Other policies to enhance employer-led training include attempts to encourage employers to take the initiative in improving training provision. The idea is to give employers control of the delivery of those government resources devoted to training, as employers are more sensitive to the demands of the market. Within the same framework, another approach has been for the state to leave the training of younger and older adults almost entirely to employers, but to invest heavily in education so that those entering the workforce have a good grounding in important subjects. Employers can then build on this in enhancing the skills base of their labour force.

The ability of the NIEs to link education and training to continuous change in the development of the productive system, provides a model that offers institutional flexibility and the possibility of catching up fast with the older industrial nations. Such a model may be appropriate for countries like South Africa with a large unskilled labour force, with low levels of literacy, and with a political imperative to create a more equitable distribution of income.

Having discussed the nature of the global economy, its interaction with workers and how skills formation takes place, the stage is set for us to look more closely at the South African economy, its human capital, and strategies to increase skills levels and create jobs.

CHAPTER 3

3. TRAINING FOR JOB CREATION IN SOUTH AFRICA: AN OVERVIEW

3.1 INTRODUCTION

Concurrent with South Africa's democratic elections in 1994 the government signed the World Trade Organisation's (WTO) Uruguay Round, which accelerated the integration of our economy into the global marketplace (Naudé, 1999:18). From Chapter 2, it emerged that the global labour market is characterised by constant change (to the benefit of skilled workers) and the progressive destruction of jobs (affecting especially semiskilled and unskilled workers).

South Africa re-entered the world economy with several disadvantages of which an exceptionally high unemployment rate and a low-skilled labour force were the most challenging. Each year over the past decade increasing numbers of jobs have been destroyed in South Africa (Barker, 1999:83; Temkin, 2001:4). There are virtually no jobs for the hundreds of thousands of (apparently better qualified) new entrants to the labour market, let alone the backlog of millions who have been unable to find a job or who cannot generate an income on their own initiative. The same shifts, observed in global economies, are occurring in South Africa (Paragraphs 3.2-3.4).

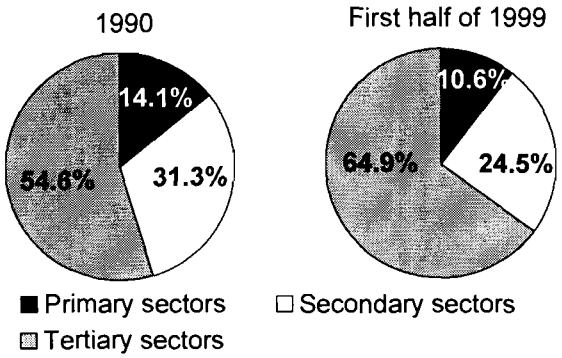
The challenge facing South Africa in addressing the problem of job creation is aggravated by the fact that its labour force is predominantly low skilled. Paragraph 3.5 describes why this is an area of concern for South Africa, especially if comparisons are drawn with skills levels in other countries. Paragraph 3.6 shows that various innovative measures for enhancing the skills base in South Africa have been introduced since the first democratic elections in 1994. The new policies are designed to deal with the country's lack of international competitiveness and the low rates of investment in the development of human capital. Unfortunately, educational investments alone will not ensure economic growth and job creation. Since 1994, several policies and strategies have been put in place with the aim of creating jobs in various sectors of the South African economy (Paragraph 3.7).

3.2 THE SOUTH AFRICAN ECONOMY

Consistent with trends observed in the advanced economies of the world, the pattern of activity in the South African economy has changed – as part of developmental processes in the economy –with a shift from primary and secondary sectors to tertiary or service sectors. For example, while the contribution of agriculture to South Africa's gross domestic product (GDP) dropped from 22,4% to 9,5% (between 1920 to 1969), that of the manufacturing sector rose

from 7,4% to 22,7% in the same period (Malherbe, 1975:178). According to the South African Reserve Bank (2000), the contribution of the primary sector (agriculture and mining) continued to drop over the last decade, while that of the secondary sector (manufacturing, construction, electricity) increased. The growing significance of the tertiary sector (trade, finance, community and personal services) in the South African economy over the past decade is depicted in Figure 3.1.

Figure 3.1: Sectoral GDP contribution (1990 and 1999)

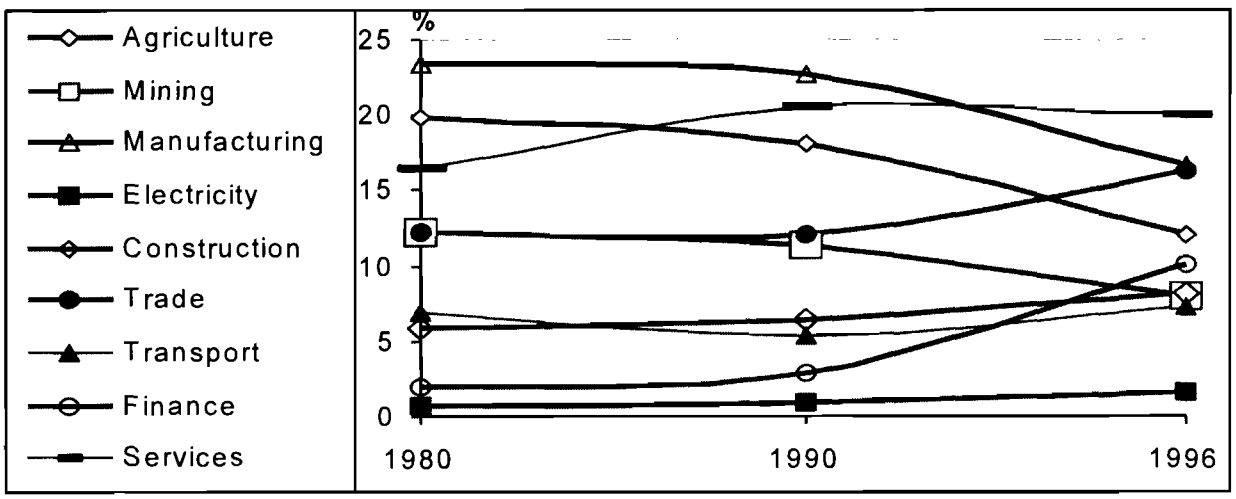


The relative share of value added (measured in terms of gross domestic product GDP) by the tertiary sectors rose from 54,6% of total value added in 1990 to 64,9% in the first half of 1999. Over the same period, the relative share of the primary sectors declined from 14,1% to 10,6% and that of the secondary sectors from 31,3% to 24,5%.

Source: South African Reserve Bank (2000).

These shifts in economic output of the different sectors gave rise to shifts in the employment structure. Figure 3.2 shows declining employment in the primary (agricultural and mining) and secondary (manufacturing) sectors of the South African economy and substantial increases in employment in the tertiary sector (transport, trade, finance and services) over the past two decades.

Figure 3.2: Proportional sectoral employment rates for 1980, 1990 and 1996



Source: 1980 and 1990 figures: CSS (1995). 1996 figures: Stats SA (1998).

It should be noted that – although there were been changes in sectoral GDP contribution and related shifts in the employment share of the different sectors – economic growth occurred in the primary, secondary and tertiary sectors of the economy. According to figures released by Stats SA (2000b), the gross domestic product (GDP at market prices) increased by 15% – from R515 billion in 1993 to R596 billion in 1999. Furthermore, although jobs were created in the tertiary or services sector, more jobs were shed in the primary and secondary sectors, confirming the global trend of jobless economic growth and a shrinking pool of permanent jobs.

According to employment growth forecasts this trend will continue (Temkin, 2001:4; Whiteford *et al.*, 1999:10-18). Negative growth rates are envisaged for the mining, the manufacturing and the electricity sectors (ascribed to persistent pressure on domestic producers to be competitive in an increasingly globalised market marked by accelerating capital intensity), and in the services sectors (ascribed to an expected decrease in employment by central, provincial and local government). Rising employment is forecast for the trade, finance and construction sectors of the economy (Paragraph 3.4).

3.3 STATE OF THE SOUTH AFRICAN LABOUR MARKET

Just like the global trend of jobless economic growth, South Africa's pool of permanent jobs is shrinking fast. Unemployment data point to a sustained and increasing unemployment rate in South Africa, in spite of business cycle upswings (Fourie, 1999:53). In 1990, approximately 70 000 jobs were lost through retrenchments (almost 200 workers a day) (Bethlehem, 1991:38). This trend continued and intensified in the following years, with an average of 82 000 jobs lost annually between 1990 and 1995 (Meintjes, 1998:2). Overall, the economy shed an estimated 116 000 jobs each year in 1996 and 1997 (Ray, 1998:14). Spoornet, alone, shed 12 694 jobs in 1997/98 (Chalmers, 1998:1). And the end is not yet in sight. Further job losses in the wake of transformation and rationalisation processes are anticipated in, for example, the South African National Defence Force (20 000 workers) (Chandler, 1998:3) and Transnet (27 000 workers) (SAPA, 1999a:1).

According to South African Reserve Bank (1999), the decline in formal sector employment is a continuation of a long-term decline dating back to 1989. Accumulated job losses from the third quarter of 1989 to the end of the first quarter of 1999 totalled almost 850 000 and reduced the number of the gainfully employed to a level last seen in 1979.

In 1996 South Africa provided job opportunities for a total of 9,1 million workers out of 13,8 million economically active people. Most of these opportunities occurred in the community, social and personal services sector (public and private). In order of importance for job creation, the following five major industry groups in the South African economy provided more than three-quarters (79%) of all the employment opportunities in the country: community, social and

personal services (33%), manufacturing (14%), wholesale and retail, trade and catering and accommodation services (14%), agriculture, hunting, forestry and fishing (10%), and financing, insurance, real estate and business services (8%). Construction provided employment to a further 7% of the workers, mining and quarrying 7%, and transport, storage and communication 6%. The electricity, gas and water supply sector provided only 1% of all job opportunities in South Africa (Stats SA, 2000a:56).

We saw earlier (Paragraphs 2.2-3) that the shift from labour-intensive production to capital-intensive processes in an investment-driven economy is a major contributor to job destruction. Similarly, in South Africa the high capital intensity of production methods has led to low growth in the demand for labour, in spite of business cycle upswings (Fourie, 1999:367; Hirschowitz, *et al.*, 1991:2; Meintjes, 1998:6).

The sectors that have experienced the most extensive capital deepening have been the primary sectors (agriculture and mining) followed by manufacturing and construction (secondary sector) (Bhorat & Hodge, 1999:353; De Lange, 2000:7; Kirsten, 1999:1; Whiteford, *et al.*, 1999:10-12). Employment in the mining sector has been declining since 1987, and is expected to decline further. This is due to a shift from underground mining to open-cast mining, which is more capital intensive. Furthermore, there is increasing use of labour-saving technology in underground mining. The effect of changes in technology in manufacturing is evident in the printing and publishing industry, for instance, where computerisation of the publishing process has reduced the need for artisans such as compositors and typesetters. In addition, many clerical jobs will probably be lost across all sectors of the economy following the computerisation of administrative tasks and office automation. The increased use of technological equipment (e.g. machines, computers) is affecting workers at less-skilled levels in particular.

The question arises as to why this tendency to increase productivity through the use of technology is to the detriment of workers. Several factors can be blamed as impediments to job creation. One frequently cited cause is labour regulation (or the 'rigidity' of the South African labour market). High minimum wages, cumbersome dismissal procedures, legal protection of strikes and trade union protection have made labour in South Africa relatively expensive, aggravating the low labour absorption rate in the economy (Barker, 1999:36; Baskin & Grawitsky; 1998:10; Fourie, 1999:368; Fallon & Lucas, 1998:7; Jacks, 1998; Naudé, 2000:11; Nattrass & Seekings, 1996:70; Schoombee, 1998:21).

According to Jacks (1998), foreigners regard South Africa's rigid labour market as one of the major obstacles to foreign direct investment. This rigidity is also seen as an impediment to job creation by local business. The new labour legislation is said to inhibit job creation by

discouraging employers from hiring labour, and workers from giving of their best. The fact that foreign investment by overseas companies has grown by 5% while employment has risen by only 1% in 1998, illustrates the response to legislated bargaining powers of workers (Mittner, 1998a:49; Rautenbach, 2000:29).

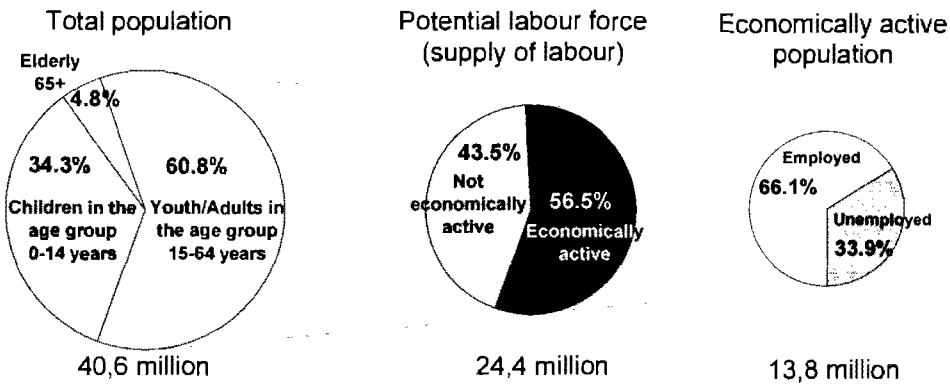
Another factor contributing to higher capital intensity is the shortage of appropriately skilled workers (i.e. workers equipped for the employment opportunities offered by a modern economy) (Martins & Tustin, 1999:23; Porter, 1990:257). As will be discussed in Paragraph 3.5, this is an area of real concern in South Africa.

Apart from shifts in the global economic arena – in which South Africa has to compete against advanced players – South Africa's high rate of population growth means the labour force outstrips the normal labour absorption capacity of the market. According to Fourie (1999:366), demographic factors such as changes in the economically active population (e.g. changes in the age structure, participation rates, and the gender and racial composition) contribute to the absorption problem.

3.4 SOUTH AFRICAN LABOUR FORCE

South Africa is a country rich in human resources. The total population was calculated at 40,6 million in the October 1996 population census (Stats SA, 2000a:16). Children under the age of 15 constituted 33,9% (or 13,8 million) of all the people living in South Africa (Figure 3.3).

Figure 3.3: Total population, potential labour force and economically active population, 1996



Source: Stats SA (1998).

The number of people who fell in the age group 15-64 and who were potentially available for work was 24,3 million (60%), while a further 2,5 million people(6,2%) were older than 65 years (Stats SA, 2000a:114). Of the potential labour force (people in the age group 15-64 years), an estimated total of 10,4 million people (42,8%) were considered not economically active

(housewives/homemakers, scholars/full-time students, pensioners/retired people, disabled persons and people not wishing to work) (Stats SA, 2000a:122).

The economically active population includes all people older than 15 who furnish their labour for the production of economic goods and services, whether they are employed or not (Barker, 1999:45). According the results of the 1996 census, more than half (57,2%) of the potential labour force in South Africa were economically active at the time. Of these 13,9 million economically active people, 9,2 million (66%) were employed, while 4,7 million people (34%) wanted to work (or were actively seeking work) but could not find a job (Stats SA, 2000:122).

Previous population projections estimated an 88% growth in South Africa's total population for the period 1990-2020 (Calitz, 1996:18-19). This would almost double the population from 38,9 million to 73,4 million (assuming slow fertility and infant mortality transitions, and a moderate HIV/AIDS effect). More recent projections, assuming declining fertility levels and life expectancies – due to AIDS, indicate that the earlier 2020 population projections of around 80 million will not materialise and that the size of the South African population will be closer to 50 million in 2020 (Van Aardt *et al.*, 1999:3). Forecasts by Dorrington (cited by the Department of Labour, 2001:10) estimate that by 2004 the population growth rate will have dropped to below 1% per annum and will reach 0% by 2011. Furthermore, the number of AIDS-related deaths is mainly concentrated in the 25-50 age groups which shows that the labour force is much more affected by AIDS than the overall population.

The demographic profile of the potential South African labour force reveals a relatively young population. Almost a third (28,9%) of the potential labour force was younger then 30 years in 1996 (Stats SA, 2000a:114). Although this group (age 15–29) constitutes almost half the potential labour force, it should be borne in mind that it could include scholars or students. The majority (76,0%) of the population in the age category 15–19 years was, indeed, attending educational institutions in 1996 – hence the relatively low rate of participation in the labour market. The attendance ratio declines in the age categories 20–24 years (32,7%) and 25–29 years (7,7%), as people enter the labour market (Stats SA, 1999).

Estimations of persons entering the labour market each year vary from 300 000 to 450 000, with the labour force expanding by around 3% a year (Barker, 1999:163; Klasen & Woolard, 1999:17; Sergeant, 1995:98). The potential labour force could grow from 24,4 million people in 1996 to a total of 28,2 million by the year 2001, and to 31,7 million by 2006 and 34,9 million by 2011.

The level of education of a population can be used as a means of measuring the quality of the labour force, and is an indication of that population's ability to undertake training successfully and acquire useful skills (Porter, 1990:369). This is cause for concern in South Africa as more

than a third of its potential labour force has not attended school or at least completed the primary school phase. Low educational levels impact negatively on the employability of the labour force. According to the 1996 population census, almost a fifth (19%) of South Africans aged 20 years or older had received no education, while a further 17% had not completed their primary school education (Stats SA, 2000a:120). According the Joint Education Trust, people who have not had at least seven years of formal schooling are regarded as functionally illiterate (SAIRR, 1997:152). Almost half (41%) of the above group had completed primary or acquired some secondary school education. Only 16% of the population 20 years and older had obtained Grade 12, while only 6% had a postschool qualification (Stats SA, 2000a:120).

3.4.1 WORKERS

The pattern of education in a country is reflected in the occupational distribution of the labour force. In 1996, less than a quarter (22%) of all the workers in South Africa were employed in highly skilled occupations such as legislators, professionals and technicians (Stats SA, 2000a:125). A further 39% of the workers were working as skilled workers in occupations such as clerks, service workers, skilled agricultural workers and craft workers. More than a third (39%) of the labour force was employed in semiskilled and unskilled occupations such as plant and machine operators and assemblers, in elementary occupations and as domestic workers.

One of the consequences of the discriminatory practices of the past is the unequal distribution of skills among the different population groups in South Africa. (See Paragraph 2.6 for a historical overview of skills formation in South Africa.) In 1996, fewer African (12%) and coloured (12%) South Africans – aged 20 years and older – obtained Grade 12 or a postschool qualification than Asian (30%) and white (41%) South Africans (Stats SA, 2000a:125).

The population group distribution of the labour force is a reflection of the population group distribution of the economically active population[1] in South Africa in 1996. African workers constituted the majority (64%) of workers, a further 11% of the workers were coloureds, 4% were Asians and 19% were whites (Stats SA, 2000a:125).

However, the unequal skills distribution between the population groups was reflected in the uneven occupational representation of the different population groups in the workplace. More African (47%) and coloured (46%) workers than Asian (18%) and white (6%) workers were employed as plant and machine operators and assemblers, and in elementary occupations (semiskilled and unskilled occupations). More white (50%) and Asian (35%) workers than African (13%) and coloured (15%) workers were employed in higher skilled jobs as professionals, legislators, senior officials, managers, technicians and associated professionals

[1] Africans (71,7%), coloureds (10,4%), Asians (3,0%) and whites (14,1%). Stats SA, 2000a:16.

(Stats SA, 2000a:125). In the middle-level occupations such as clerks, service workers, skilled agricultural workers and craft workers, the population groups were equally represented at an average rate of 40% in each population group.

The distribution of employment according to gender diverged from the gender distribution of the economically active population[2] in South Africa in 1996, in favour of male workers. At an average ratio of 60,1% (men): 39,9% (women), more men than women were employed in most of the occupation groups (Stats SA, 2000a:125). The only occupational groups in which more women than men were employed were professionals (55,3%), clerks (68,7%) and in elementary occupations (56,9%). More than three-quarters of the workers who were employed in the occupational categories of skilled agricultural and fishery workers (79,8%), craft and related trades workers (87,2%), and plant and machine operators and assemblers (86,5%), were men. More men than women worked as legislators, senior officials and managers (72,5%) and as technicians, and associated professionals (51,9%).

Decreasing trends in job creation in the formal sector means that a growing number of people are forced to earn a living in the informal sector of the South African economy (Schoeman & Blignaut, 1998:299). The informal sector is indeed seen as a sector with great potential for creating jobs for people who have not been able to access the mainstream economy (Schlemmer & Levitz, 1998:78). This is confirmed by the fact that an estimated 2,7 million people or businesses were not registered or defined themselves as being in the informal sector at the time of the 1999 October household survey (Stats SA, 2000c:28-30). This figure constitutes more than a quarter (27%) of the ten million employed workers in South Africa. Of those working in the informal sector in 1999, 38,0% worked for their own account (as employers or self-employed persons), while a further 30,1% were employees employed by employers in the informal sector. This means that, on average, every self-employed person in the informal sector of South Africa was able to create a job opportunity for one other person. The rest of the workers in the informal sector were employed as domestic workers (29,5%), while a small group (2,4%) of workers indicated that they were involved in the formal and the informal sectors of the economy.

3.4.2 UNEMPLOYMENT

An analysis of the unemployment situation reveals that rural populations, African and coloured workers, women, the youth and those with lower levels of skills are the ones most affected by the situation. The unemployment rate for 1996 was calculated as 33,9 % of the economically active population (4,7 million people), if discouraged job seekers are included (expanded unemployment rate) (Stats SA, 2000a:52). Discouraged job seekers are those people who had

[2] Male (48,1%), Female (51,9%). Stats SA, 2000a:114.

not recently tried to find work because they had given up hope of finding it, could not find jobs where they lived, lacked money for transport to look for work, or lacked schooling and training (Castillo, 1998:35).

One facet of the unemployment problem in South Africa is that some geographical areas are more severely affected than others. According to the 1996 census, the provinces with the highest unemployment rates at the time were the Eastern Cape (48,5%) and the Northern Province (46,0%), followed by KwaZulu-Natal (39,1%) and the North West Province (37,9%) (Stats SA, 2000a:53). The unemployment rates in the other provinces were on the same level or lower than the national figure of 33,9%, with Mpumalanga at 32,9%, the Free State at 30,0%, the Northern Cape at 28,5%, Gauteng at 28,2%, and the Western Cape the lowest at 17,9%.

Provinces with predominantly rural populations in 1996 were more severely affected by unemployment. (Such provinces were Mpumalanga, North West, KwaZulu-Natal, Northern Province and the Eastern Cape.) The unemployment rate in the rural areas of the Eastern Cape was as high as 63,6%, while unemployment rates in urban areas were at or below the national average rate of 34% (Stats SA, 1999).

The unemployment rates for the different population and gender groups varied considerably in 1996. Africans had the highest unemployment rate at 34,1%, while whites at 4,6% had the lowest (Stats SA, 2000a:52). Among coloured and Asian workers the unemployment rate was calculated at 18,3% and 11,1% respectively. Unemployment among male workers (27,1%) was considerably lower than it was for female workers (42,0%) in 1996. Among African economically active women the unemployment rate was as high as 52,4% (as opposed to 42,5% for African men), and about a quarter (24,1%) of coloured and 15,1% of Asian women were unemployed (as opposed to 20,9% for coloured males and 12,2% for Asian males). There was only a small difference (0,5%) in the rates for white unemployed males (4,6%) and females (5,1%).

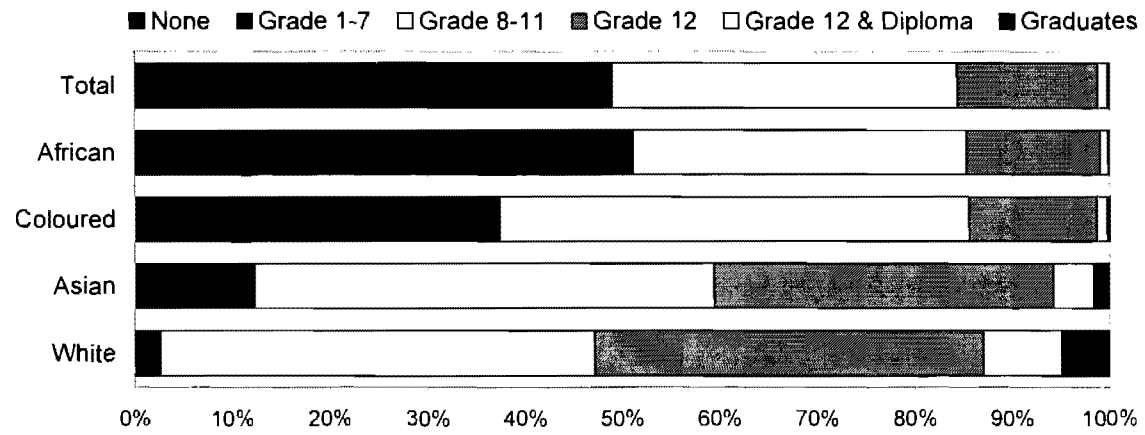
According to Levin (1994:237), young people in developing and even industrial countries find it difficult to obtain employment and often become unemployed straight after leaving school. This is confirmed by the fact that the majority of the unemployed were younger than 35 years of age during the 1999 October household survey. It is especially among the economically active youth (15-29 years) that unemployment was exceptionally high in 1999. This age group (15-29 years) accounted for more than half (56,8%) of all the unemployed in South Africa (Stats SA, 2000c:37). Among the economically active youth in the age group 15-19 unemployment was as high as 76,7%; among the 20-24 year economically active youth the

unemployment rate was 54,8%, and among those aged 25-29 the unemployment rate of 42,7% was higher than the national average of 34%.

The above profile of the unemployed is confirmed by Schoeman and Blignaut's (1998:304) analysis of unemployment which revealed that it predominantly occurs in the age group 20-44 years, and that more females than males, more rural than urban dwellers are unemployed.

Unemployment in South Africa is a reflection of the low educational profile of the total population. The majority (84,3%) of the unemployed in 1996 had qualifications lower than matriculation. Almost half (49,0%) had no – or at most a primary – education (Figure 3.4). A further 35,3% had attended school only up to Grade 8—11, and 14,4% had obtained a Grade 12 qualification. Only 1,2% of all the unemployed had a postschool qualification. The fact that very few people with tertiary education were unemployed, confirms the increasing demand for skilled labour and the harmful effects of rapidly changing technology and market conditions on especially unskilled labour (Stats SA, 1999).

Figure 3.4: Level of education of the unemployed, 1996



Source: Calculated from Census '96 dataset (Stats SA, 1999).

Almost half (46,7%) of all the people who were unemployed at the time of the population census in 1996 had never worked before (Stats SA, 1999). The African population group was the worst affected as 49,1% had had no previous employment, while 25,1% of the coloured unemployed, 23,2% of the Asian and 15,0% of the white unemployed had had no previous employment. Only a third (32,8%) of the unemployed had been previously employed.

Those who had been employed before had worked predominantly in elementary (low-skill) occupations (46,5%). Others had worked as craft and trade workers (22,0%), service, shop and market sales workers (9,5%), plant and machine operators or as assemblers (7,6%), clerks (5,5%) and agricultural workers (2,9%). Only a few who had worked as professionals

(2,4%), in technical and associated professional occupations (2,4%), or as legislators, senior officials and managers (1,2%) had lost their jobs. The fact that more workers in semiskilled and unskilled occupations (e.g. elementary and craft and trade workers) than workers in higher skilled jobs (e.g. managerial, professional and technical) had lost their jobs, corroborates the trend of progressive job destruction in lower skilled jobs.

3.4.3 FUTURE LABOUR MARKET NEEDS

National projections indicate a growth in joblessness[3] in the five-year period 1998-2003 (Whiteford *et al.*, 1999:21). This is confirmed by forecasts of 2,75% economic growth and a 3% decline in formal employment in 2001 (Temkin, 2001:4). There will be an increase in the demand for highly skilled human resources and a decrease in the demand for unskilled human resources (a global trend attributable to changes in technology and the information explosion). In an HSRC labour market survey, Whiteford *et al.* (1999:21-26) found that in most of the broad industrial sectors a further decline in employment is expected between 1998 and 2003 for the following reasons:

- Community, social and personal services (as a result of the commitment of the government to downsize the public service)
- Electricity, gas and water (a major contributing factor is the amalgamation of municipal electricity departments with Eskom)
- Mining and quarrying (owing to a shift to capital-intensive open-cast mining and labour-saving technology in underground mining)
- Manufacturing (technological change and the need to be internationally competitive are major contributing factors)
- Agriculture (owing to mechanisation to enhance competitiveness, increased minimum wages and labour costs, and the new legislation that guarantees residential rights to farm labourers)
- Transport (owing to ongoing retrenchments, employment at Transnet is expected to decline significantly)

Only a few of the broad industrial sectors anticipate possible growth and a consequent increase in the demand for labour. These sectors are

- trade, catering and accommodation (arising from increasing numbers of overseas tourists, as well as increasing numbers of local tourists whose disposable income is rising following moderate growth in the economy as a whole);

[3] Fewer than 50 000 jobs will be created, despite an estimated annual growth in output of 2,7%.

- the construction industry (highly labour intensive – with a close relationship between growth in output and growth in employment. A rise in employment is forecast based on the expectation that the government will accelerate the delivery of infrastructure, and in the context of the economy growing at between 2% and 3%);
- the finance, insurance, real estate and business services sector (this sector is likely to expand rapidly as it encompasses much of the IT and financial services industries, which are both growing fast. Although the banking subsector is likely to grow, a reduction in staff is expected due to the merging of banks and the effect of computerised banking);
- the communications sector (although one of the fastest growing sectors of the economy – on the back of rapid growth in the telecommunications subsector – is highly capital intensive and has limited capacity to create employment).

3.4.4 TRENDS IN THE DEMAND FOR CERTAIN OCCUPATIONS

It is expected that job creation will take place mainly in the professional and managerial categories, while job losses will occur in the semiskilled or unskilled categories, largely because of the impact of computerisation and new technology. According to Whiteford *et al.* (1999:35), the highest growth is expected in the field of IT – for example, computer systems analysts, software systems engineers and computer consultants will be needed.

Commercial occupations such as the accounting and financial professions are also expected to show strong growth (Whiteford *et al.*, 1999:34-36). High growth, too, is on the cards for engineers, engineering technicians and technologists, with electrical and chemical engineers heading the list. An exception in the engineering discipline is mining engineering, which is expected to show slow growth. Other slow-growth mining-related occupations are metallurgy, surveying and geological science. Slow-growth occupations in the public service include librarianship, nature conservation, social work, art-related occupations, biological science occupations, and town and regional planning.

An increase in the demand for clerical/sales/service workers and artisans is expected, but growth in these occupations will fluctuate among sectors as well as within certain occupational groups. For example, in the wholesale and retail trade sector an increase in the demand for sales workers is expected, while the number of clerical workers will decline owing to the increased computerisation of administrative tasks. The employment of artisans associated with the maintenance of machinery (e.g. fitters and turners, electricians and mechanics) is likely to increase, while there will be a decrease in the number of artisans employed in printing activities (e.g. compositing, typesetting, process engraving, machine minding).

In general, the demand for artisans is expected to grow more slowly than the demand for professionals. The highest growth rates are expected for artisans in the jewellery trade, food-

processing trade, motor vehicle industry, building trade and other trade-related occupations as a result of the moderate growth anticipated in the related industries (Whiteford *et al.*, 1999:35). The growth in demand for electrical and electronic as well as metal and engineering artisans is expected to be slow. Negative growth is anticipated in the demand for furniture and printing trade artisans, due to the impact of computerisation on their particular industries.

3.4.5 SYNTHESIS

The South African economy is growing, but at the same time is shedding jobs. This phenomenon is not exclusive to South Africa – countries throughout the world are battling with growing unemployment and blame it on globalisation. The number of formal job opportunities is decreasing rapidly as industries shift from labour-intensive production to capital-intensive processes, especially in the agriculture, mining, manufacturing and construction sectors of the economy.

Parallel to the shifting emphasis away from primary and secondary industries to tertiary and service sectors, there is a movement within individual sectors away from unskilled and semiskilled skilled occupations to those that require a higher level of skill. Several reasons are advanced for the tendency to increase productivity through the use of technology, the main ones being an overregulated labour market and a shortage of appropriately skilled workers. South Africa's underlying economic structure is that of a developed economy, but its labour force is lagging behind. While the country is experiencing jobless economic growth, its labour force is increasing rapidly because of the high population growth rate.

The South African labour force is characterised by an abundance of workers who are relatively young and poorly skilled. The potential labour force (persons aged 15-65 years) for 1996 was calculated at 24,4 million people, of whom 43,5% were not economically active. The economically active population consisted of 13,8 million people of whom 66,1% were employed, while 33,9% could not find jobs. As in a typical developing country, there is an oversupply of unskilled workers, and a shortage of skilled workers in South Africa.

According to Statistics South Africa's findings in the 1996 population census, almost 20% of South Africans in the age group 20 years and older had received no education. Only 16,4% of the population who were 20 years and older in 1996 had obtained Grade 12, while only 6,2% had a postschool qualification. The pattern of education is reflected in the occupational distribution of the labour force. In 1996, less than a quarter of all the workers in South Africa were employed in highly skilled occupations such as legislators, managers, professionals and technicians. Decreasing trends in job creation in the formal sector meant that a growing number of people were forced to earn a living in the informal sector of the South African

economy. In 1996 more than a quarter of all the employed people in South Africa had jobs in this sector.

In line with global trends there is a movement away from employment in primary and secondary industries to employment in tertiary or service sectors. The upshot is fewer employment opportunities for unskilled workers. Most unemployed South Africans in 1996 who had been employed previously, had been employed as elementary workers, craft and related trade workers, and service workers. With no formal employment growth to replace job losses and accommodate new entrants to the labour market, unemployment is becoming a critical problem, placing South Africa among the countries with the highest unemployment rates in the world.

In most of the broad industrial sectors a further decline in employment is expected in the short term. Only a few of these sectors anticipate possible growth and a consequent increase in the demand for labour. The sectors are trade, catering and accommodation; the construction industry; the finance, insurance, real estate and business services sector; the communications sector.

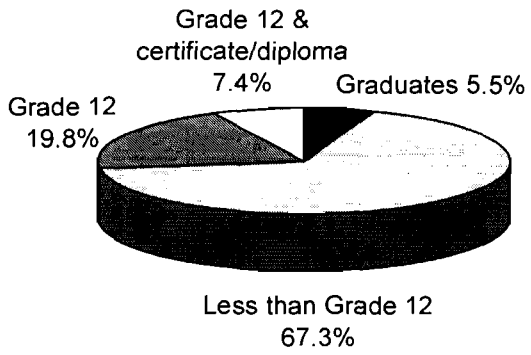
It is expected that job creation will take place mainly in the professional and managerial categories, while job losses will occur in the semiskilled or unskilled categories, largely because of the impact of computerisation and new technology.

From an economic growth and development perspective, it is clearly not just the size of the labour force but rather its quality that counts. The level of education of a population indicates the quality of the labour force and that population's ability to undertake training successfully and acquire useful skills (Van Dyk *et al.*, 1997:15). A sound general education is an essential foundation for all subsequent training. Something the majority of the South African labour force lacks.

3.5 THE COMPOUNDING PROBLEM OF THE LOW SKILLS BASE OF THE SOUTH AFRICAN LABOUR FORCE

It is generally accepted that economic progress in a country is closely related to the stock of human capital that the country can draw upon (Ashton & Green, 1996:186; Griffiths & Jones, 1980:7; Porter, 1990:75; Van Dyk, *et al.*, 1997:5). Typically, as in any developing country, there is an oversupply of unskilled and a shortage of skilled workers in South Africa (Figure 3.5) (Barker, 1999:209).

FIGURE 3.5: Percentage of the employed, by highest level of education completed



In 1996 more than two-thirds (67,3%) of all workers in South Africa did not have a senior certificate (including those who had had no schooling). Only 19,8% had passed Grade 12, while a further 12,9% had a tertiary qualification

Source: Calculated from Census '96 dataset (Stats SA, 1999).

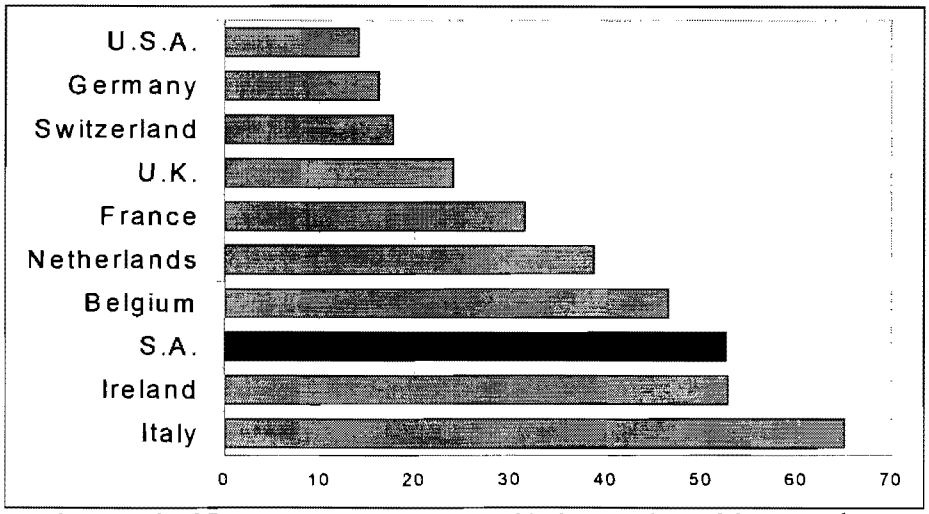
A low educational level impacts on a worker's future employability. During the implementation of special employment programmes aiming at creating jobs for the long-term unemployed and involving local manpower, it was found that local workers lacked skills and work experience. Only 94 (2,3%) of the 4 069 unemployed on the local labour register (Department of Labour) at the start of the Saldanha steel project had had any experience relating to the project (Fitschen, 1998:781-782). This meant that less than half of the employed workforce consisted of locals at the height of the construction phase in mid-June 1997.

It is therefore evident that special employment programmes[4] will have a relatively small impact on local labour markets. Many of the jobs created through such programmes will be temporary, with no guarantee that industrialisation will be labour intensive. Without an effort to train local unemployed people in the skills needed for the construction phase of spatial development initiative (SDI) projects, skilled workers will have to be imported from other regions, resulting in the employment of only a few of the local people in low-wage occupations (Aniruth & Barnes, 1998:845; Mitchell, 1998:765; Newman, 1998:45).

The mismatches between South Africa's human resources and the skills requirements of available jobs are evident if comparisons are made with other countries (Figure 3.6). Considering the fact that in 1995 52,6% of South Africa's adult population had less than upper secondary education (less than Grade 10), we entered the global economy at a disadvantage to highly developed countries such as the US (14,2%), Germany (16,3%), the UK (24,1%), France (31,6%) and Belgium (46,5%). We are, however, on par with Ireland (52,8%) and better off than and Italy (65,1%).

[4] See Paragraph 3.8.2.5.

Figure 3.6: Adults with less than upper secondary education as a percentage of the adult population, 1995 figures



Source: OECD countries – DELFA, 1998[1]. South Africa: CSS, 1996[2].

[1] Adults with less than upper secondary education as a percentage of the population between 25 and 64 years of age, 1995 figures (DELFA, 1998:66).

[2] Level of education amongst those aged 20 years and older (OHS, 1995 figures: CSS, 1996:75).

According to Prais (1995:75), the advantage in workforce qualifications in an advanced industrial country such as Germany lies in attainments at the level of intermediate vocational qualifications. In international comparisons of workforce productivity, Germany fared considerably better than for, instance, Britain, France and the Netherlands (Prais, 1995:20-21). Prais (1995:18) ascribes the lower productivity of Britain's workforce to the relatively low proportion (27%) of its workforce that has received systematically organised vocational training and attained formally examined vocational qualifications (as opposed to 64% in Germany) (Table 3.1).

TABLE 3.1: VOCATIONAL QUALIFICATIONS OF THE WORKFORCE BY INDUSTRIAL GROUP IN SOUTH AFRICA, GREAT BRITAIN AND WEST GERMANY

	Persons with stated qualification levels as % of workforce in each industrial group								
	University[1]			**Intermediate[2]**			**None[3]**		
Industrial group	**S.A.**	**B**	**G**	**S.A.**	**B**	**G**	**S.A.**	**B**	**G**
Manufacturing industries	2,4	7,9	6,0	28,3	30,9	64,6	69,4	61,2	29,5
Agriculture, forestry & fishing	1,1	4,0	2,0	8,5	20,0	46,0	90,4	76,0	52,0
Mining & quarrying	1,2	10,0	6,0	16,3	34,0	64,0	82,5	56,0	30,0
Gas, electricity & water	3,7	13,0	8,0	39,4	39,0	76,0	56,9	48,0	16,0
Construction	1,5	5,0	4,0	16,3	43,0	71,0	82,3	52,0	25,0
Transport & communications	2,0	6,0	6,0	30,2	27,0	73,0	67,9	67,0	21,0
Trade	1,9	3,5	3,0	33,5	19,0	64,5	64,5	77,5	32,5
Finance	11,1	18,0	15,0	54,6	15,0	68,5	34,3	67,0	16,5
Community & personal services	7,3	15,3	20,7	34,1	28,0	56,3	58,6	56,7	23,0
Level as % of workforce	5,5	10	10	27,2	27	64	67,3	63	26

[1]For Britain, includes members of professional institutions with qualifications of degree standard, and graduate teachers. For Germany, includes graduates of technical institutes (*Fachhochschulen*) and engineering colleges (*Ingenieurschulen*). For South Africa, includes graduates.
[2]Includes non-graduate qualifications, including apprenticeships (in Britain also time-served and non-examined apprenticeships). For South Africa, includes Std 10/Grd 12 plus diploma/certificate.
[3]For Britain, half of this group consists of those reporting no educational or vocational qualification; the other half consists of those with educational qualifications but without vocational qualification. For Germany, this group consists mainly of those who have taken, or have failed, the *Berufsschule* final examination; the great majority have some form of general school-leaving qualification. For South Africa, half of this group consists of those reporting some secondary education; a quarter consists of those who have some primary education and a further quarter who have no schooling at all.
Source: Britain (1988 figures) and Germany (1987 figures) (Prais, 1995:20-21). South Africa (1996 figures) (Stats SA, 1999).

South Africa's disadvantage is clear, with only 4% of the workforce holding a degree in 1996, compared to Germany and Britain's 10% in 1987 and 1988 respectively (Table 3.1). It is encouraging to note that in terms of intermediary skills, South Africa's trade and finance workers are not far behind the German workers, and considerably better qualified than those of Britain. In terms of intermediate vocational qualifications South Africa and Britain have a similar overall profile. However, on closer examination, it is especially in the agriculture, mining and construction industries that South Africa lacks intermediary skills. Although our economy is moving away from secondary sectors, the agriculture and mining industries are currently still important employers of semiskilled and unskilled workers.

Several studies reveal a relationship between low education and qualifications levels and low labour productivity. According to Edwards (1997:189), the low level of skills in Britain can be traced to weaknesses in general education and in vocational training, leading to low labour productivity. It is argued that vocational training will do little to alleviate the critical skills shortage in Britain as the basic problem is that the system of general education is largely irrelevant to the needs of industry (Blossfeld & Stockmann, 1999:14).

The German economic prosperity is attributed to a sound manpower base (Dekker, 1996:67). German workers are better trained in specialised fields than workers in most countries, have a better theoretical base which to develop and enhance their skills, and high wages supported by high levels of productivity (Ashton & Green, 1996:95; Porter, 1996:369). As in Britain, the majority (65,9%) of South African workers have not completed secondary education, while in Germany 25% of the workforce is perceived as having low educational levels, even though the majority have taken the *Berufsschule*[5] final examination, which is at least equivalent to matriculation.

[5] Part-time secondary school for basic vocational education. Attendance is compulsory for all learners under the age of 18 who do not attend any other school (Dekker, 1996:99).

From the earlier discussion of the South African labour force it became evident that there are significant inequalities in the distribution of skills among the different population groups (Paragraph 2.5). It is also clear that in comparison with the skill levels in an internationally competitive nation, such as Germany, South Africa lacks intermediary skills in particular.

Ashton and Green (1996:185) emphasise the importance of seeing the development of education and training institutions in a historical context. With this perspective one can better assess the possibilities for institutional change. A brief overview of the history of skills formation in the country reveals that discriminatory educational policies in the past contributed to many of the inequalities perceived in South Africa's labour force today. The absence of a vibrant vocational education and training tradition has also contributed to the shortage of skilled technicians and artisans in South Africa.

3.5.1 SKILLS FORMATION BEFORE 1994

Since the early years of South Africa's colonial history up to recent times a policy of segregation in the provision of formal education was followed (Claassen, 1996:454; Dostal & Vergnani, 1984:4-5; Mncwabe, 1990:12-13). Mostly it benefited whites, and to a lesser extent coloureds and Asians, with few examples of benefit to Africans (the so-called 'natives').

South Africa's education system developed very gradually and according to the movements of the pioneers, depending on when and where they settled (Claassen, 1996:454). This is illustrated by the fact that by 1859, 18 240 learners (whites and coloureds) were enrolled in schools in the Cape and only 470 white learners in schools in Natal (Table 3.2). The first figures on school attendance in the Orange Free State became available in 1874, at which stage there were 348 white learners attending schools in the province, while the Transvaal had a total of 872 children in school by 1882. In 1923 a total of 593 570 children were attending schools in South Africa, with the majority (56,7%) being white learners.

TABLE 3.2: NUMBER OF PUPILS IN SCHOOLS, IN THE FOUR COLONIES

		White pupils		All population groups		Whites as percentage of all pupils	
Colony	**Year**	**1859**	**1923**	**1859**	**1923**	**1859**	**1923**
Cape		9 000	137 723	18 240	305 584	49.3	45.1
Natal		470	24 917	NFA	64 080	NFA	38.9
Colony	**Year**	**1874**	**1923**	**1874**	**1923**	**1874**	**1923**
Orange Free State		348	46 643	NFA	62 658	NFA	74.4
Colony	**Year**	**1882**	**1923**	**1882**	**1923**	**1882**	**1923**
Transvaal		872	127 549	NFA	161 248	NFA	79.1
Total SA 1923		NFA	336 832	NFA	593 570	NFA	56.7

NFA: No figures available. Source: Malherbe (1975:181-392).

When compulsory education was formalised in the four colonies (Cape, Natal, Transvaal and Orange Free State) under the Union in 1923 (primary education was free), this referred to 'European' children from 7-15 years of age or until they passed Standard 6 (Malherbe, 1975:402).

Whites and non-whites were educated in separate schools where, generally, the teachers of the white learners were much better qualified and the learner/teacher ratio was much more favourable than for the non-whites (Malherbe, 1977:575-576; Mncwabe, 1990:19-20). The difference in the quality of education was a manifestation of the significant differences in state expenditure on education for the different population groups. Amenities such as school libraries, playgrounds and general accessibility were far superior in the case of the white schools. Afrikaans and English were the official languages of the country and were used as the medium of instruction, further alienating African learners (Claassen, 1996:458; Kallaway, 1998:27).

South Africans of all population groups were eager for their children to have a good education. Education was not compulsory for non-whites, but by 1960 virtually all Asian children of school age were attending school (Malherbe, 1977:566). Although the number of school-going children nearly doubled every 20 years, it was only from the 1940s that African learners started to outnumber white school goers (Table 3.3). By 1970 school enrolment figures began to reflect the population group distribution in South Africa.

TABLE 3.3: NUMBER OF PRIMARY AND SECONDARY LEARNERS, BY POPULATION GROUP (000)

	1930	%	1940	%	1950	%	1960	%	1970	%
African	282	37.7	465	44.0	748	49.4	1 396	55.1	2 746	64.0
Coloured	97[1]	13.0	174[1]	16.5	262[1]	17.3	301	11.9	515	12.0
Asian							125	4.9	163	3.8
White	370	49.4	418	39.5	505	33.3	713	28.1	869	20.2
Total	749	100	1 057	100	1 515	100	2 535	100	4 293	100

[1]Including Asian learners. Source: Malherbe, 1977:709-711

Inequalities in the educational system prevailed and were intensified after the National Party came to power in 1948 (Claassen, 1996:456; Mncwabe, 1990:21-22; Ngubentombi, 1989:16-17; Ruperti, 1976:29-30). A Department of Education was each created for whites, coloureds and Asians and for every 'Bantu homeland'. The idea was that the population groups should develop separately and independently from each other. This is illustrated by the following passage quoted from Malherbe (1977:196):

The underlying assumption was that, instead of being economically integrated, the Republic could be split up into separate economies on racial lines, that is a Bantu economy, and Asian economy, a Coloured economy and a White economy, each run with its own supply of manpower to be educated and trained only as and when required to meet the particular needs of each of these racial groups by themselves, separately.

One of the changes that came about was the shift in control over 'Bantu' schools from the churches to local communities (Claassen 1996:546; Malherbe, 1997:548-553). The result was that education, and particularly teacher training, lost its most competent and dedicated white teachers and consequently the quality of education in 'Bantu' schools deteriorated markedly. The learner/teacher ratio increased from 40 in 1953 to over 60 in 1974. Learners even had to attend school in double sessions (especially in the homelands).

The economy of South Africa was largely agrarian until the middle of the nineteenth century, when the discovery of gold and diamonds revolutionised the economic system of the country (Claassen, 1996:462). These discoveries led to large-scale industrialisation, with many secondary and tertiary industries being established in subsequent years. Throughout the 1960s the South African economy experienced a general boom. Greater investment in technology and an expansion in employment led to a demand for an increasingly differentiated black labour force (RESA, 1988:4). There was a demand for more semiskilled and unskilled low-wage labour in the mines and in other sectors, and also a demand for more skilled, manual, technical, administrative and clerical black workers.

This need for a more highly skilled black workforce contributed to the dramatic increase in the number of schools and universities for black learners, and to the huge expansion of the school-going population (Claassen, 1996:457). Enrolment increased sharply from 2,7 million African primary and secondary school pupils enrolled in 1970 (see Table 3.3) to 3,7 million in 1975, 4,8 million in 1980 (RIEP, 1983:12), 6 million in 1985 (RIEP, 1991:10-11) and 9,6 million in 1990 (RIEP, 1991:4). While there was increased school attendance, secondary school completion remained low (Ngubentombi, 1989:21).

Economic decline and reduced GDP growth, which began in the early 1970s and continued until 1978, led to further intensification of mechanisation in production (RESA, 1988:10). The wages of unskilled workers fell as employers cut overtime pay, which accounted for a fifth of take-home pay. At the same time retrenchments of unskilled and semiskilled workers caused a sharp rise in unemployment. A massive removal of farm workers from white-owned farms to the Bantustans resulted in the presence of numerous unemployed persons in these underdeveloped areas (Claassen, 1996:463).

Economic and political changes led to the emergence of political, community and trade union structures, which facilitated the development of an organisational basis for mass protest against the regime (RESA, 1988:13; Mncwabe, 1990:23-24). Political opposition was expressed by the rejection of the organs of local and central government and by the establishment of incipient centres of people's power in street committees, people's courts, people's education, worker bodies on the shopfloor, and alternative organisations in medicine and health, non-formal education, social work, and so forth. Resistance to apartheid education gradually escalated, culminating in the Soweto uprising in 1976 (Claassen, 1996:457).

In 1983, a school boycott was launched in the Pretoria areas around demands for free textbooks, properly qualified teachers, the abolition of corporal punishment and official recognition of the democratically elected Student Representative Councils (SRCs) (RESA, 1988:16). The boycott strategy gained widespread support and by October 1985, schooling had been comprehensively disrupted, especially in Soweto. The government responded by closing many schools, student activists were arrested and detained, the major student organisation, COSAS, was banned, and the South African Defence Force occupied numerous black townships and school premises. The struggle to overturn the regime resulted in sporadic school attendance by learners and teachers, leading to poor school results – commonly termed 'the breakdown of the culture of teaching and learning' (Christie, 1998:283; Claassen, 1996:461).

Persistent resistance eventually led government to launch several reform initiatives, which were based on the philosophy of 'separate but equal' and were not primarily aimed at transforming apartheid education (Claassen, 1996:457). At the beginning of the 1990s, many schools were underutilised and the options available to them were to open their doors to people of colour or face closure (Sedibe, 1998:270). During this period, four school-governing models were introduced by the then Minister of Education in the House of Assembly, Minister Piet Clase. Most schools opted to become Model C schools: conversion to a state-aided (semiprivate) school under the control of the school governing body, while many opted for the *status quo* or Model B status: conversion to a state school with the parents' right to determine admission policy while ensuring that a majority (60%) of the learner population remain white. From then until 1996, there were three types of schooling models: the public schools, the private schools and the state-aided schools, widely known as Model Cs (Sedibe, 1998:270).

Schooling remained mainly academic, with English and Afrikaans the only official languages – compulsory for all matriculants – English being the dominant medium of instruction. The few technical and vocationally oriented schools were accessible mainly to whites. The basis for skills formation in ordinary schools was poor, resulting in major disparities in the skills levels of the different population groups in South Africa. It is especially in the field of vocational

education and training that the South African system of education has fallen behind (Dostal & Vergnani, 1984:18-20; Kallaway, 1999:29). According to Malherbe (1977:164-165), this had a detrimental effect on the country's trade and industry and ultimately on the ability to absorb additional workers in many fields.

3.5.2 VOCATIONAL EDUCATION AND TRAINING

When industrial and vocational training was introduced in the Cape Colony (1850) it was not for whites but for 'non-whites' (Coetzee, 1958:411; Malherbe, 1977:163; Ngubentombi, 1989:13). Under the influence of Sir George Grey a very elaborate and sound system of industrial and vocational education was started to train 'non-white' students in trades such as shoemakers, tailors, carpenters and masons. This was mainly due to a lack of interest by whites in these skills as it was associated with manual work, to be done by non-whites (Nel, 1959:56).

Apart from the sporadic efforts of Sir George Grey, very little was done by the government to develop the huge untapped manpower resources in the non-white population through vocational and conventional education (Malherbe, 1977:164). In 1907 J.H. Hofmeyer pleaded for the introduction of technical education, citing the example of Japan which had become a leading industrial nation. According to Malherbe this was due to the pre-eminent position Japan gave to vocational and technical training in its education system. However, Hofmeyer's plea was ignored, as vocational education was associated with the destitute, the defective and the delinquent.

In the 1890s the Dutch Reformed Church sponsored the establishment of industrial schools – and extended them after the Anglo-Boer War – as a means of training poor whites (Coetzee, 1958:359; Malherbe, 1977:164). In 1911 the Prisons Department established two industrial schools as reformatories for destitute and delinquent children. In 1917 the Union Education Department took over the administration of these schools and started vocational (trade, agricultural and housecraft) schools of its own. The teachers at these institutions were originally more of the 'well-intentioned and religious type' than competent artisans. This charity tradition resulted in scepticism and scant recognition of the training provided by these schools on the part of organised industry (Coetzee, 1958:363; Malherbe, 1977:165).

During the 1920s vocational schools were established mainly to serve areas outside the large metropolitan centres and as part of the government's plan to resolve the Poor White problem by bringing vocational education to the rural areas. Although it was difficult for these schools to escape the aura of charity and rehabilitation, the numbers of learners attending these schools grew much faster than those attending provincial high schools. Malherbe (1977:178) ascribes the rapid growth of vocational schools to two factors: First, they were established in response to the need to educate poor whites and, second, they met the needs of a society that was

rapidly industrialising. These were needs that the courses offered in the provincial high schools did not meet fully.

After 1950, handicraft and 'practical work' were introduced into the curriculum of ordinary schools, even at primary level (Coetzee, 1958:326). Later these subjects served as alternative options for the less intellectually gifted learners at the secondary level (Malherbe 1977:165).

Technical education carried less of the stigma of inferiority that was attached to vocational and industrial training (Malherbe, 1977:166). Technical colleges were born out of recognition of the progressive industrialisation and commercialisation of the South African economy. The earliest (1884) efforts in technical education were aimed at meeting the needs of the South African Railways and the mines (Nel, 1959:62-65). Two government acts that influenced technical education in South Africa were the Apprenticeship Act of 1922 and the Higher Education Act of 1923 (Malherbe, 1977:169). The former, which dealt with the regulation of apprenticeship training, stipulated compulsory attendance at technical classes. The latter, which brought the institutions for technical training under the Union Education Department, provided for their development as technical colleges.

According to Malherbe (1977:170), the technical colleges operated autonomously and attracted leaders from industry and commerce, who had a clear understanding of their value, to serve on the college councils. This led to the offering of courses in response to the industrial and commercial needs of the particular area, and not as a result of planning or prescription by the central government.

While the main function of these institutions was to provide training in engineering, building and commerce, they also met educational needs not provided for by ordinary public schools on the one hand or by universities on the other hand. There was a rapid rise in the number of part-time learners – mainly apprentices – during the period 1935-55. This was largely due to South Africa's participation in World War II, which accentuated South Africa's need for trained technical workers (Malherbe, 1977:178; Nel, 1959:57).

One of the results of the Carnegie Poor-White Commission was the establishment of the Special Service Battalion (SSB) in 1933. It started with 1 000 unemployed youths aged 17-22. After World War II the brigade was transferred from the Defence Department to the Union Education Department based in Kimberley, the Physical Training Brigade's (its new name) activities were divided into an *academic* section (ordinary school courses leading to matriculation), a *commercial* section (courses leading to the National Senior Certificate) and a *technical* section (training in various trades) (Malherbe, 1977:165-166).

The Apprenticeship Act of 1922 – which was amended successively in 1944, 1951, 1959 and in 1963 – provided for a National Apprenticeship Board and for local apprenticeship committees to deal with the designation of certain trades and the conditions of apprenticeship (Malherbe, 1977:183). Despite growth in the number of apprentice contracts (from 6 103 in 1933 to 21 513 in 1948) (Lundall, 1995:6) the training of apprentices was strongly criticised by the De Villiers Commission on Technical and Vocational Training in 1948. According to the commission (De Villiers, 1948:149) educationists, organized labour and industrialists asserted that a large proportion of apprentices were not being properly trained.

Even after industry agreed to release apprentices for ten weeks at a time for continuous training at technical colleges – as apposed to the one-day-per-week release system – low pass rates (34%) continued to prevail in the sixties. This can be ascribed to several factors, such as the recruitment of low-intelligence whites to these trades and the poor correlation between theoretical and practical work as the instructors were seldom *Meisters* of their craft (Malherbe, 1997:184). The inadequate output of trained white artisans by the vocational training system led to a shortage of trained technical personnel in industry, which forced the government to recruit artisan immigrants.

According to Malherbe (1977:185), there was no law in South Africa preventing non-white workers from earning the same wages as white workers doing the same job. There was also no reference in the Apprenticeship Act to population group, caste or creed. Equally, there was nothing legally to prevent a trade union from prohibiting its members from training African, coloured or Asian workers. An unwritten rule in the (white) trade unions forbade union members to train non-white apprentices or to work under non-whites, however proficient they might be (Lundall, 1995:5).

Shortages of skilled white artisans to meet the needs of the expanding economy led some trade unions to invite coloured and Asian workers into their ranks. According to Malherbe (1977:187), 1 596 coloured (14,1% of all registrations) and 604 Asian (5,3%) new apprentices were registered in 1971 – as opposed to the 9 140 whites (80,6%). The biggest breakthrough for coloured and Asian apprentices was in the building, furniture and motor trades. It was especially in Natal where Asian garage owners took on Asian apprentices (40% of the 1 029 motor trade apprentices registered in 1972 in Natal and East Griqualand were non-whites). In 1973 the South African Railways needed 2 100 apprentices, but only 500 qualified white applicants could be found. It was only then that the restrictions on non-whites entering apprenticeships in the South African Railways started to ease. According to Lundall (1995:18), the employment ratios of apprentices in 1975 were: whites (95,5%), coloureds (6,5%), Asians (0,5%) and Africans (0,5%).

The relative importance the government attached to technical training in comparison to university education, clearly shifted in the 1950s when government grants to universities soared far beyond those to technical colleges. A sharp decrease in enrolments at technical colleges ensued (Malherbe, 1977:176). For example, 63 900 part-time (mainly apprentices) and full-time learners were registered at technical colleges in 1955 in contrast to 48 000 in 1965. By 1970, money made available for technical education amounted to only about an eighth of the support for university education. Furthermore, in 1946 free education was extended to secondary education. With the decline in public funding for technical colleges, the number of learners attending vocational schools rose from 4 800 in 1955 to 23 000 in 1965. However, the provision for vocational and technical education was a mere drop in the bucket compared to the provision for secondary schools. This is illustrated by the low percentage of the whole school population of each population group that was receiving vocational and technical education. By 1970, only 8,77% of white learners, 3,9% of Asian, 0,7% of coloured and 0,1% of African learners were receiving vocational and technical education (Malherbe, 1977:174).

While the development of universities provided South Africa with a large increase in the supply of white trained personnel for the white-collar professions and the public service, there was a serious shortage of trained manpower in the technical field to meet the rapidly growing needs of industry due to economic growth in the country (Malherbe, 1977:176).

On the basis of recommendations from the HSRC (De Lange Commission) 1981, vocational guidance and vocational and technical education were extended at both the secondary and tertiary level (Kallaway, 1999:31). The apprenticeship system was reserved for whites until 1984, but when blacks started to enter, there were not enough employers to give work experience and so they received theory only (Department of Labour, 2001:38). The effort to change the direction of policy was significant, but the success of these initiatives was uneven (Dostal & Vergnani, 1984:19). There has been little overall growth in the enrolment figures at technical institutions and no improvement in the share of black students. In fact, new apprenticeships declined from 8 185 in 1987 to 6 247 in 1993 (Department of Labour, 2001:38).

3.5.3 IN SEARCH FOR EQUALITY

Since the democratically elected government came to power in 1994, equality for all South Africans has been a major objective. The four provinces, the six self-governing states (SGTs) and the TBVC states were replaced by nine provinces. Consequently one national ministry and nine provincial departments of education were created. In February 1995 the White Paper on Education and Training was gazetted (Department of Education, 1995), followed by the

White Paper on the Organisation, Governance and Funding of Schools (Department of Education, 1996) and the publication of the draft South African Schools Bill in April (503/1996). The South African Schools Act (84/1996) was later passed by parliament. The white papers, draft bill and act provided a framework for restructuring the education system in line with the constitution. Some of the key recommendations, proposals (white papers) and aspects (draft bill and act) include the following:

- reinforcement of the four key education rights guaranteed by Article 29(1-4) of the Constitution (1996), namely the right to basic education, to equal access to educational institutions, to choice of language of instruction, and to establish educational institutions based on common culture, language and religion;
- the declaration of 11 official South African languages at the national level, with provincial autonomy to declare any national official language a provincial official language [Article 6(1) of the Constitution (1996)];
- the role of interdepartmental co-operation between the Department of Education and the Department of Labour in the provision of education and training in line with the national qualifications framework (NQF) (Department of Education, 1995:26);
- the abolition of the different models and the establishment of two types of schools (i.e. public and independent schools) (Department of Education, 1996:section 2.1);
- the implementation of a sliding scale for school fees, based on parents' income, providing for exemption for parents who cannot afford to pay [South African School Act, section 39(2b), 84/1996)];
- compulsory school attendance between the ages of seven and fifteen [South African School Act, section 3(1), 84/1996)].

The president and the Minister of Education launched a campaign on the culture of learning, teaching and service (COLTS) in February 1997 (Sedibe, 1998:275). The purpose of the campaign was to urge learners, teachers and parents to work together to improve the quality of education generally.

However, the pattern of inequality as a consequence of separate development policies is still dictating skills formation in South Africa. For example, more and more African, coloured and Asian students are being awarded postschool qualifications, but they are obtaining the qualifications at lower levels than their white counterparts (Shapiro & Jacobs, 1999:5). Furthermore, they are obtaining qualifications in categories where there is an oversupply of qualified people (e.g. nursing, administration and education), while there is a shortage in for example the natural sciences, engineering, the built environment (architecture, etc.), health, law, and economic and management sciences.

The percentage of graduates (including all population groups) in the natural sciences decreased from 22,1% of the total number of graduates in 1985 to 15,1% in 1996, while those who were awarded degrees in medical sciences decreased from 9,7% to 9,1% and in the management sciences from 22,9% to 20,5%. The percentage of graduates in the human sciences increased from 45,3% in 1985 to 55,3% (1985 figures: HSRC, 1997:14; 1996 figures: Shapiro, 2000).

This low output of graduates in the sciences can be attributed to the poor educational output achieved by secondary schools in South Africa. Less than a quarter (24,0%) of the 518 032 senior certificate candidates in 1996 wrote the science examination (of whom 67,4% passed). Less than half (42,1%) wrote the mathematics examination. Half (50,1%) of those who wrote mathematics failed (RIEP, 1997:12). In the same year, half (55%) of the candidates who wrote the senior certificate examinations passed, while only 16% obtained matriculation exemption (SAIRR, 1998:124).

Several factors contributed to the poor matriculation results. More than a third of all the teachers in South Africa were unqualified (graduated, but no teaching qualification – 8,2%) or underqualified (less than matriculation and a three-year teaching qualification – 26,7%) in 1995 (SAIRR, 1998:118). There was a shortage of adequately trained teachers in especially mathematics and science. Although 85% of the mathematics teachers were professionally qualified as teachers, only 50% had specialised in mathematics in their training. Similarly, while 84% of the science teachers were professionally qualified, only 42% were qualified in science. An estimated 8 000 mathematics and 8 200 science teachers needed to be targeted for in-service training to address the lack of subject knowledge (SAIRR, 1998:155).

The shortage of adequately trained mathematics and science teachers was confirmed by the release of the results of the Third International Mathematics and Science Study-Repeat (TIMSS-R) in Pretoria on 6 December 2000 (HSRC, 2000a). The majority of the teachers involved in teaching the learners, who were tested in the TIMSS-R, did not feel confident about their own preparation as mathematics and science teachers. Very few mathematics (16%) and science (12%) teachers were found to be older than 40 years, which suggests that many such teachers leave the profession relatively early in their teaching careers. It also implies that few experienced teachers stay on in the profession. Furthermore, 27% and 38% of these teachers were not formally qualified to teach mathematics and science respectively: a contributing factor to the learners' lack of fundamental knowledge and skills in mathematics and science.

The culture of teaching and learning has not yet been reinstated in South Africa. The TIMSS-R study revealed that South African learners spend less time learning in their classrooms than do learners in other countries. Instructional time was found to be extremely limited in many local

schools, with some reporting as few as 120 days spent on teaching and learning during the year. The limited amount of time spent on teaching, together with the fact that many learners miss school or bunk classes, further explains the lack of performance (HSRC, 2000a).

South Africa ranked bottom out of 38 countries participating in the study in mathematics and science (HSRC, 2000b). A number of developing and newly developed countries also took part, such as Thailand, Chile, Morocco and Tunisia. South Africa's performance was lowest across all five topics in mathematics and all six topics in sciences of all the participating countries. Very few (less than 0.5% or less than 40 learners in the study) South African learners performed at the top level of learners internationally.

Another important finding from the study was that the majority of South African learners could not communicate their scientific conclusions adequately in the languages used for the test (i.e. English and Afrikaans, which are also the languages currently used for matriculation examinations). In particular, the learners who studied mathematics and science in their second language tended to have difficulty articulating their answers to open-ended questions and apparently had trouble comprehending several of the questions. Finally, most of the learners had not acquired the basic knowledge of these subjects and lacked the understanding of mathematical and scientific concepts normally expected at Grade 8 level (HSRC, 2000b).

If mathematics and science teaching is to be extended to 85% and 75% of senior secondary learners respectively, the country will need an additional 3 000 mathematics and 5 000 science teachers. According to the SAIRR (1998:155), the Education Foundation suggested that the possibility of paying teachers in these subjects differentiated salaries should be explored, and that one or two specialist mathematics and science teacher education institutions should be established.

The tradition of low output in the number of people who receive vocational education and training is continuing. Although the number of graduates more than doubled from 1985 to 1996, there was a decrease in the number of people who qualified as artisans in the same period (8 404 apprentices passed trade tests in 1985 as opposed to 6 810 in 1996) (SAIRR, 1998:161-163). The inadequate provision of general education has also impacted on trade test pass rates. Although the rate picked up from 34% in the 1960s to 55,8% in 1980, the pass rate of 62,1% of the apprentices who wrote trade tests to qualify as nationally recognised artisans in 1996 is still low. In 1996 only one person qualified as an artisan for every 14 who graduated in the same year.

3.5.4 SYNTHESIS

The skills profile of our labour force is poor and uncompetitive in the global economy. There are too few professional and skilled people while a large section of our workforce lacks basic skills, which restricts their employability to only the most menial tasks. This can largely be attributed to the history of segregation in the provision of formal education. Separate departments of education, separate schools for the different population groups and differentiated expenditure remained central to the South African education system until 1990.

The basis for skills formation in ordinary schools was – and still is – poor, resulting in huge disparities in the skills levels of the different population groups in South Africa. It is especially in subjects such as mathematics and science, and in the field of vocational education and training, that the South African system of education has fallen behind.

Despite considerable past and likely future improvements in high school and university enrolment ratios, some backlogs in the educational levels of African and coloured persons, relative to whites and Asians – especially at university level – are likely to remain. Due to continuing low achievement in mathematics and science, and low vocational education and training outputs, there are skills shortages in the fields of the natural sciences, engineering, the built environment, health, law, and economic and management sciences, while there is an oversupply of people with skills in the nursing, administration and educational fields.

These factors and the extent of the malfunctioning of the South African labour market are the major reasons for setting objectives aimed at improving the quality and relevance of learning.

3.6 QUEST FOR SKILLS DEVELOPMENT IN SOUTH AFRICA AFTER 1996

Various innovative measures for enhancing the skills base of the country have been introduced since 1994 (e.g. the South African Qualifications Authority (SAQA) Act (58/1995), the Skills Development Bill (1296/1997), the Further Education and Training Act (98/1998), green/white papers and strategies – precursors to these bills [e.g. the White Paper for the Transformation of Higher Education (Department of Education, 1997a), the 'Report' of the National Committee on Further Education (National Committee on Further Education, 1997), Curriculum 2005: Lifelong Learning for the 21st Century (Department of Education, 1997b), the Green Paper: skills development strategy for economic and employment growth in South Africa (Department of Labour, 1997), as well as the Green Paper on National Youth Service (National Youth Commission, 1998)].

At the heart of these measures is the national qualifications framework (NQF) which will integrate education and training into one system and facilitate movement between different types of educational institutions.

3.6.1 NATIONAL QUALIFICATIONS FRAMEWORK (NQF)

In April 1994, a task team made up of members of the National Training Board, business, organised labour, the state and providers of education and training produced a discussion document entitled *A National Training Strategy Initiative (1994)* (Isaacman, 1996:6-7). The key recommendation of the document was to establish the NQF. In 1995 the government's policy document, the White Paper on Education and Training (Department of Education, 1995:26), gave details of the national qualifications framework (NQF) and the South African Qualifications Authority (SAQA). The South African Qualifications Authority Act (58/1995) was passed in October 1995, empowering SAQA to set up and maintain the NQF (Article 5).

The NQF represents a new approach to organising education and training in South Africa after the democratic elections in 1994. The framework consists of three bands with different levels in each band (Table 3.4):

- The higher education and training (HET) band deals with all learning related to national diplomas, degrees and postgraduate learning.
- The further education and training (FET) band deals with all post-compulsory (age 7-15 years), pre-tertiary learning and integrates academic, technical and commercial learning.
- The general education and training (GET) band includes preschool learning to Grade 9. These are the ten years of free and compulsory education for all. This band also includes adult basic education and training (ABET), equivalent to ten years of primary education, as well as integrating skills training below artisan level.

The Ministers of Education and Labour appointed the SAQA Board, which later established the NQF. The board includes representation from different sectors, such as the trade union movement, education and training providers, non-governmental organisations, and business and industry. Its responsibility is to establish structures and processes for developing standards and qualification criteria on the NQF, and then to approve, register and publish standards and qualification criteria. SAQA also monitors the quality of education and training by continually assessing education providers and learners (Isaacman, 1996:7).

TABLE 3.4: STRUCTURE OF THE NATIONAL QUALIFICATIONS FRAMEWORK

NQF Level	Band	Types of Qualifications and Certificates	Locations of Learning for Units and Qualifications		
8	Higher Education and Training Band	Doctorates Further Research Degrees	Tertiary/Research/ Professional institutions		
7		Higher Degrees Professional Qualifications	Tertiary/Research/ Professional institutions		
6		First Degrees Higher Diplomas	Universities/Technikons/ Colleges/Private/Professional institutions		
5		Diplomas, Occupational Certificates	Universities/Technikons/ Colleges/Private/Professional institutions/Workplace, etc		
	FURTHER EDUCATION AND TRAINING				
4 3 2	Further Education and Training Band	School/ College/ Trade Certificates mix of units from all	Formal high schools Private/ State schools	Technical Community Police Nursing Private colleges	RDP and Labour Market Schemes Industry Training Boards, Unions, work-place, etc
	GENERAL EDUCATION AND TRAINING CERTIFICATE				
1	General Education and Training Band	Std 7/Gr.9 ABET 4 Std 5/Gr.7 ABET 3 Std 3/Gr.5 ABET 2 Std 1/Gr.3 ABET 1	Formal Schools (Urban/ Rural/ Farm/ Special)	Occupation/ Work-based Training/ RDP/ Labour Market Schemes/ Upliftment & Community	NGOs/ Churches/ Night Schools/ ABET Private providers SETAs Union Work-place, etc
		1 year reception			Source: Isaacman (1996:24).

The structures/steps involved in the implementation of the NQF are the following

- SAQA approves and registers standards and qualifications on the NQF. It oversees and monitors the work of the following bodies.
- The National Standards Bodies (NSBs) are responsible for setting agreed national standards. They ensure that the development of unit standards in the different fields and at all levels is approved by the people involved in these fields, and that the unit standards integrate education and training and focus on useful subject matter to learn.
- The Standard Generating Bodies (SGBs) operate under the supervision of NSBs. They are responsible for generating draft standards in particular fields and at particular levels. They ensure that practitioners are involved in setting standards in their own fields.
- The Education and Training Quality Assurance bodies (ETQAs) ensure that the education and training provided is of a high quality. They are responsible for the ongoing monitoring

of providers and the courses they offer, for those who assess learners, for the monitoring of internal and external assessment, and for the issuing of certificates approved by SAQA.

- The Qualifications Councils (QCs) are responsible for setting the rules of combination for qualifications. These rules determine which outcomes can be combined into a qualification. Each band of education has a CQ.

Hattingh (1999:12) warns that distorted implementation of the NQF may lead to the overregulation of education and training. This may happen if ETQAs focus only on monitoring and measuring the physical structures and processes, registration/certification/accreditation (the input phase of training provision), rather than on the impact of learning on the learner and the organisation (the critical outcomes phase).

The most successful economies of the twenty-first century will be found in countries that have transformed themselves into learning societies (Ashton & Green, 1996:186; Donn, 1998:70). The main purpose of the NQF is to close the gap between education and training through the provision of opportunities to learn regardless of age, circumstances and level of education and training, thus allowing for lifelong learning. The concept of lifelong learning for all and a commitment to investment in the 'employability' of present and future workers is inevitable in such economies. This corroborates the World Bank's designation of the accumulation of human capital 'as one of the most powerful engines of development' (World Bank, 1993:5).

Countries that were most successful in the past in fighting poverty were those that invested in the human capital of the poor and promoted structures of growth linked to the efficient utilisation of labour (Blossfeld & Stockmann, 1999:18). Singapore and Japan have been successful in their implementation of a system of continuing on-the-job training (Paragraphs 2.2.3–2.2.4). Apart from South Africa, various countries (such as New Zealand and Scotland) have introduced qualifications frameworks through which lifelong learning can be accredited and articulated, through which skills and competencies can be learnt and updated, and through which social justice and equity can prosper (Donn, 1998:74-81).

3.6.1.1 General education and training (GET)

A new outcomes-based approach to education and training was phased into general and further education and training from 1998. Curriculum 2005 introduced drastic changes to teaching methods and syllabus content, which would enable learners to acquire the same qualifications whether in schools, colleges or other training programmes. Essentially, the new curriculum aims at equipping all learners with the knowledge, competencies and orientations needed for success after they leave school or have completed their training. The curriculum consists of the following eight 'learning areas' up to Grade 9 (Department of Education,

1997b:14-15): arts and culture; communication, literacy and language learning; economic and management sciences; human and social sciences; life orientation; natural sciences; numeracy and mathematics, and technology.

There are three different kinds of outcomes (Department of Education, 1997b:32). Critical cross-field outcomes (essential outcomes) are common to all areas of work (not linked to a particular subject or course). Learning area outcomes are the general skills, abilities and values a learner will be expected to demonstrate in a learning area. Specific outcomes are the exact skills and information required in a particular context. SAQA formulated eight critical cross-field (essential) outcomes (Department of Education, 1997b:16). Learners should be able to successfully demonstrate their ability to master different ways of learning; identify and solve problems; make decisions using critical and creative thinking; work with others as part of a team, group, organisation or community; collect, organise, examine and understand information; communicate using mathematical and language skills; organise and manage themselves and their activities; understand that the world is a set of related systems; use science and technology; and show responsibility towards the environment and health issues.

According to Jansen (1998:322), the most immediate origins of outcomes-based education (OBE) in South Africa are the competency debates held in Australia and New Zealand, which stimulated training and development discussions in the Congress of South African Trade Unions (COSATU). These discussions subsequently found expression in the NQF. It is hoped that the implementation of OBE will supply South Africa with workers who have a more holistic outlook, are flexible and who have acquired a balanced combination of hard and soft skills in order to survive in the new world of work (Paragraph 2.3). According to Noble (2000:46), the implementation of outcomes-based learning will ensure better application of learning in the workplace through the critical cross-field outcomes.

However, for several reasons, it is doubtful whether South Africa will overcome all its deeply rooted social and educational problems, simply by introducing a new curriculum (Jansen, 1998:330; Kraak, 1998:34-44; Meerkotter, 1998:63). Some critics say the previously white historically advantaged schools will implement Curriculum 2005 more effectively than other schools because of better infrastructure and stronger parental support. On the other hand, for the poor and previously disadvantaged, Curriculum 2005 will certainly not change their situation in a way that will enable them to play their rightful part in our society. Jansen (1998:323) warns that OBE will further undermine the already weak culture of teaching and learning in South African schools. Implementing OBE will increase the administrative burden of change at the very time that rationalisation is further limiting the human resource capacity for managing change.

If these concerns materialise, South Africa will continue its tradition of poor achievement in mathematics and science, low senior certificate pass rates and inadequate provision of vocational education and training.

3.6.1.2 Adult basic education and training (ABET)

A new adult basic education and training (ABET) initiative, the *Ithuteng 'Ready to Learn' Campaign,* was launched in 1996, challenging providers within the state, civil society and the private sector to offer an integrated programme of education and training that enables learners to make use of prior learning as they acquire qualifications that are nationally recognised and portable, and enables them to find employment and advance along meaningful career paths (Department Of Education, 1997c:1).

In April 1997 the Department of Education published a *Draft Policy for Adult Basic Education and Training.* The vision for ABET is a literate South Africa where all its citizens have acquired the basic education and training that enables effective participation in socio-economic and political processes, and thus the ability to contribute to reconstruction, development and social transformation (Department of Education, 1997c:9). The document aimed to put in place a fully functioning system of adult basic education and training. While the government would be primarily responsible for setting up an ABET system, employers had a similar responsibility in respect of their employees. A 'broad national curriculum framework' would develop communication, language and literacy skills, while mathematics and numeracy skills would be provided by the Department of Education (SAIRR, 1998:171).

In October 1997 the department published the final draft of *A National Multi-Year Implementation Plan for Adult Education and Training: Provision and Accreditation*, which proposed a two-phased approach to implementation (Department of Education, 1997c:11). First, the structures, systems and capacity of the sector would be developed (1998 and 1999), after which the emphasis would shift to the 'mass scale' provision of programmes and services to learners. The plan was to reach some 2,5 million adults by 2001 at a total cost of R5,8 billion (SAIRR, 1998:173).

People who have not had at least six years of formal schooling are regarded as functionally illiterate (SAIRR, 1997:152). Since at least 7,5 million adults in South Africa could be considered functionally illiterate at the time of the 1996 census, then the implementers of an ABET system are indeed facing a mammoth task. For South Africa to reduce illiteracy among the employed adult labour force (as in the case of the Singapore government – see Paragraph 2.5.3), at least 1,1 million workers will have to be involved in ABET. The Department of Labour

(2001:22) has set a target to achieve an NQF level 1 qualification for 70% of all workers by March 2005.

3.6.1.3 Further education and training (FET)

The Department of Education published the report of the National Committee on Further Education: *A Framework for the Transformation of Further Education and Training in South Africa* in August 1997 (Department of Education, 1997a). The report proposed a plan for an integrated further education and training (FET) band (levels two to four of the National Qualifications Framework (NQF) – see Table 3.4: Paragraph 3.6.1). FET constitutes the largest and most complex phase of learning, catering for a diverse range of learners, including school-going young people, out-of-school youth, young adults and the larger adult population. Providers can be categorised into four main sectors, namely secondary schools, publicly funded colleges, private education and training providers, and enterprise-based education and training (National Committee on Further Education, 1997:85).

The report proposed a five-year implementation strategy beginning in 1997 in terms of which legislation would be passed in 1998, and new governance and funding systems established in 1999 (National Committee on Further Education, 1997:211). The Further Education and Training Act (98/1998) and the Education White Paper 4: A programme for the Transformation of Further Education and Training (Department of Education, 1998), set out an agenda intended to lead to a more cost-effective and efficient FET system. The mission of FET is to foster mid-level skills; lay the foundation for higher education; facilitate the transition from school to the world of work; develop well-educated, independent citizens; and provide opportunities for continuous learning, through the articulation of education and training programmes (Department of Education, 1998:section 2.1-7).

FET providers will be required to ensure that learners have access to up-to-date labour market information, indicating skills shortages, career opportunities and trends in the job market (Department of Education, 1998:section 2.14-18). They will also need to develop the capacity to offer and manage learnerships made available by the Sector Education and Training Authorities (SETAs – see Paragraph 3.6.2), and to launch and sustain programmes that will attract support from the National Skills Fund, directed towards rural skills needs and the learning requirements of the long-term unemployed (Department of Education, 1998:section 2.12).

According to Steenekamp (2000:2), a transformed, high-quality, responsive FET system is a crucial investment in the future of our country and all its people; yet we have no co-ordinated, single system of FET provision. Horizontal and vertical divisions between institutions and other

providers hamper the effective delivery of FET. (The sectoral divisions in the FET system itself, and between the three systems of general education and training (GET), further education and training (FET) and higher education and training (HET) are as apparent as ever, with old practices still firmly entrenched) (Kraak & Hall, 1999:20). The Further Education and Training Act requires that those institutions wishing to provide FET in terms of the new definition of the word, must be declared FET institutions.

3.6.1.4 Higher education and training (HET)

In August 1997 the Education White Paper 3: A Programme for the Transformation of Higher Education was gazetted (Department of Education, 1997a). The white paper outlined a comprehensive set of initiatives for the transformation of higher education through the development of a single co-ordinated system with new planning, governing and funding arrangements. Proposals contained in the white paper were subsequently incorporated into the Higher Education Act of 1997 (SAIRR, 1998:176).

The Higher Education Act (101/1997) promotes a single co-ordinated system of higher education. Article 4 of the act provides for the establishment, composition and functions of a council on higher education. The council, to be appointed by the minister, would advise the minister, particularly regarding the transformation and development of higher education, and funding policy (Article 5).

Education Minister Professor Kader Asmal launched the National Plan for Higher Education on 5 March 2001 (Hills, 2001:1-2). The plan provides a framework for the transformation of the higher education system and to achieve the goals set in White Paper 3 and the Higher Education Act. The plan proposes a 5% increase in higher education enrolment in the next 10-15 years. The balance of enrolments has to shift away from 'humanities', in favour of 'business and commerce' and 'science', and to 'engineering and technology' in the next 5-10 years.

3.6.2 IMPLEMENTATION OF THE SKILLS DEVELOPMENT STRATEGY

In September 1997 the Department of Labour published a draft version of the Skills Development Bill (1296/1997) for public comment. The overall vision of the Skills Development Bill is an integrated and flexible skills development system, which promotes economic and employment growth and social development through *inter alia* the following:

- Imposing a training levy of between 1% and 1,5% on companies' payrolls to finance training, unless the minister provides an alternative formula (Article 13);
- introducing new-style apprenticeships (*learnerships*) and other training programmes which would lead to registered qualifications (Article 6);

- establishing a national skills authority to advise the minister on issues regarding the national skills development strategy and priorities (Article 3).

According to the SAIRR (1998:177), the bill was widely criticised by employer organisations. The Confederation of Employers in Southern Africa rejected the idea of a training levy, saying it would be counterproductive and in conflict with Growth, Employment and Redistribution, the government's macro-economic policy. The South African Chamber of Business described the levy as 'no more than a dedicated tax which provided organisations with no guarantee that they would get their contributions back'. The idea of a training levy was abolished in the UK and in Australia due to resistance from employers (Paragraph 2.6). The Congress of South African Trade Unions supported the levy scheme but argued that it should be increased to 4% of companies' payrolls. This is in line with the amount, which is perceived the better corporations in the world are spending on training (Ashton & Green, 1996:171) (Paragraph 2.5.3).

The concept of learnerships is central to the skills development system. In terms of Article 6(1) of the Skills Development Bill (1296/1997), are learnerships workplace-based learning pathways that link theoretical learning to structured workplace experience, leading to credits and eventually full qualification. Learners achieve professional or occupational competence in areas for which there is a clear demand or opportunity in the economy, including self-employment (Department of Labour, 1998a:43; Van Rooyen, 1999:19). The combination of theoretical learning and workplace experience ensures that learners have the skills and knowledge to improve performance and adaptability in the workplace, and to facilitate mobility in the labour market. An average learnership lasts approximately one year, split between course work at a learning centre and workplace experience.

Following the Skills Development Bill, the Skills Development Act (97/1998), and its associated legislation introduced new institutions, funds and approaches to raise the country's skills levels (Bird, 1998:32). In terms of Article 3(1) of the Skills Development Levies Act (9/1999), all employers have had to pay a skills development levy from April 2000, at a rate of 0,5% of the total remuneration paid to their employees during any month. From April 2001, this levy increased to 1%. The bulk (80%) of the advances are allocated to a Sector Education and Training Authority (SETA), and 20% to the National Skills Fund.

The National Skills Authority is charged with producing a skills plan and identifying priorities for skills development from the sector plans drawn up by SETAs [Skills Development Levies Act, 9/1999: Article 5(1)]. In order to develop sector skills plans, the SETAs require reliable figures and skills plans from their member organisations. All employers have had to submit at the beginning of the year (from April 2000) a skills plan for their organisations. This skills plan must cover the education and training planning of all the staff employed by the organisation,

including those who are not employed full time. Representatives from management, unions and the government departments concerned manage each SETA. The main task of a SETA is to allocate grants in the particular sector. Grants are allocated in various ways to ensure sound education and training in the sector. This relates closely to the role of National Training Organisations in the UK (Paragraph 2.5.1) and of the National Productivity Board in Singapore (see Paragraph 2.5.3).

The workplace skills plans which need to be developed and reported on if firms wish to claim grants are fed into sector plans. Several SETAs (Annexure B) are jointly responsible for the preparation of sector plans, the promotion of standards and training within the National Qualifications Framework, the design and implementation of learnerships, and for quality assuring providers and programmes (Department of Labour, 2001:27).

Another importance task of a SETA is to promote learnerships by identifying workplaces for practical work experience, supporting the development of new qualifications and learning materials, and assisting in the conclusion of learnership agreements. SETAs are also responsible for the registration of learnerships (see Paragraph 3.8.2.3). The Department of Labour (2001:27) has formulated several goals to be achieved through the skills development strategy by March 2005. They are

- a quarter (75%) of enterprises with more than 150 workers are receiving skills development grants;
- at least 40% of enterprises employing between 50 and 150 workers are receiving skills development grants;
- learnerships are available to workers in every sector;
- all government departments assess and report on budgeted expenditure for skills development.

Closely related to learnerships are skills programmes which must be occupationally based and result in a credit towards a qualification on the NQF, but they do not require contracts with employers (Van Rooyen, 1999:19). Skills programmes provide different training options to those provided by learnerships, and learners can access these if the more comprehensive learnerships are not useful, available or appropriate to their needs. In skills programmes there is no need for contracts, minimum payment of learners, nor is there any restriction on the amount of credits of the programmes. Skills programmes can result in a certificate that reflects the skills achieved for work-seeking purposes and which can become credits towards a qualification. Skills programmes can also be used in various ways without imposing the requirements of learnerships on every formal and informal learning programme. Such

situations include retraining on new equipment or technology, upgrading a particular skill set and providing people with a set of skills for projects of short duration (Vorwerk, 1999:22-23).

Vorwerk (1999:22) warns that creating learnerships for special sets of occupational skills or qualifications will have several negative effects. Such learnerships will have a very narrow focus, producing people with only task or job-related skills and making it difficult for them to hook onto the NQF. This mirrors Hattingh's (1999:12) concern that a narrow interpretation of competence will restrict learning to a limited range of skills which workers must be able to perform as the minimum required outcome agreed upon by all the stakeholders. Furthermore, restricted implementation of the NQF could result in the accreditation of skills that are already outdated in the marketplace, making at least half of what is learnt in formal training programmes obsolete on completion of the qualification.

Due to the constant and rapid changes in the world of work – in which knowledge is doubling at an incomprehensible pace – many jobs and consequently the skills required will disappear resulting in "dead-end" learnerships (Hattingh, 1999:14; Vorwerk 1999:22) – see also Paragraph 1.2. For a person to successful operate in a particular work environment he or she needs a broad set of skills and knowledge.

According to Hoare and Jolly (1999:3) and Murnane and Levy (1996:31), employers in the global economy are looking for certain characteristics in a worker (e.g. reliability, a positive attitude, a willingness to work hard), and a combination of hard and soft skills that underpin effective performance at work and support skills transfer. The hard skills are basic mathematics/application of numbers, problem solving and reading at higher levels. The soft skills include working effectively with others; using computers well; making effective oral and written presentations; and improving one's own learning and performance.

Hattingh (1999:13) calls for the development of the intellectual capital of the workforce. This implies the range of competencies required to transform data into information, and then into actionable knowledge that can be used to make intelligent decisions. Other critical competencies are mental agility, whole-brain thinking, systems thinking, creativity and innovation, learning literacy, futures literacy, critical thinking, and the capacity to thrive under conditions of discontinuity.

Learning strategies will have to ensure that learning is a continuous activity that is integrated with work, with decreasing emphasis on the formal training programmes presented at designated 'learning centres'. Such strategies will have to accommodate the inevitable changes in critical competencies, as organisations continuously adapt their products and services. This calls for increasing emphasis on informal, incidental, just-in-time and experiential forms of learning, which do not fit neatly into the NQF, with its requirements for the

generation/registration/accreditation of standards, internal and external moderation and verification (Hattingh, 1999:14).

According to Edwards (1997:169), economists differ widely on the desirability of levy-grant systems. The two main schools of thought are those who advocate leaving (vocational) training to the market, and those who emphasise the desirability of state intervention to correct market failure. Where governments have set up training levy-grant systems, without clear plans for training or adequate training capacity in industry and without full participation of industry, the results have usually been poor and have not led to any significant improvement or expansion in enterprise training (Edwards, 1997:186).

3.6.3 SYNTHESIS

Since South Africa's first national democratic elections in 1994, the state has issued several policy documents intended to democratise education and eliminate inequalities in the education system. Much was learned from the experience of other countries in the drafting of these policies. At the heart of the policies is the national qualifications framework (NQF).

The main purpose of the NQF is to close the gap between education and training, and to facilitate movement between the different types of educational institutions – regardless of the age, circumstances and level of education and training of the learners – thus making provision for lifelong learning. Apart from South Africa various other countries such as New Zealand and Scotland have introduced qualifications frameworks.

A new outcomes-based approach to education and training was phased into general and further education and training from 1998. Outcomes-based education (OBE) is intended to be a dramatic shift from apartheid education, with more emphasis given to outcomes, which are specifiable in terms of skills, knowledge and values, as opposed to rote memorisation of content. The most immediate origins of OBE in South Africa can be traced to competency debates in Australia and New Zealand. Although it is envisaged that the implementation of OBE will supply South Africa with a skilled and flexible workforce, critics warn that the country will not overcome all its deeply rooted social and educational problems, simply by introducing a new curriculum. The successful implementation of OBE will depend on successful teacher training and the availability of appropriate teaching and learning materials.

Through the implementation of a multi-year plan for ABET it is aimed to reach some 2,5 million adults by 2001 at a total cost of R5,5 billion. Like the programmes launched by the Singapore government, ABET will provide a progression route for adults to continue their education to secondary school level and furnish a basis for the enhancement of their work-based skills.

The Further Education and Training Act, 1998, and the Education White Paper 4, set out an agenda intended to lead to a more cost-effective and efficient FET system. The purpose of FET is to respond to the human resource needs of the country for personal, social, civic and economic development.

In order to enhance the skill levels of the workforce and to promote learnerships (apprenticeships), a training levy was imposed on employers from 2000. The National Skills Bill compels organisations to draw up workplace skills plans and to submit them to a relevant sector education and training authority (SETA). A SETA has to devise a sector skills plan and implement it by establishing learnerships; by approving workplace skills plans; by allocating grants to employers, education and training providers, and workers; and by monitoring education and training in its particular sector.

Education and training institutions – especially FET providers – in turn have to establish close relationships with SETAs and business enterprises in order to identify training needs, to develop learning materials and to conclude learnership agreements. This resembles the newly established network of National Training Organisations (NTOs) in the UK (Paragraph 2.5.1). Like NTOs, FET providers play a vital role in identifying national labour market trends in different industries and in addressing skills shortages.

Attempts to introduce training levy schemes in the UK and Australia failed owing to resistance from employers and the cumbersome bureaucracy associated with the implementation of the schemes (Paragraph 2.6). If organisations fail to provide actual information regarding skills needs and training plans, sector skills plans will not be a reliable source for human capital formation strategies in South Africa. The capacity of smaller organisations to develop workplace skills plans needs to be built to avoid a Singaporean situation where larger companies tend to take advantage of the training subsidies the Skills Development Fund provides (Paragraph 2.5.3).

The abovementioned measures to improve the skills base of the country will not on their own ensure that every person entering the labour market will be employed. As indicated in Paragraph 2.5.3, policies to influence the demand for skills should be in place, to ensure the existence of labour opportunities in the various economic sectors. Several strategies for stimulating economic growth and job creation were introduced after the democratic elections in 1994.

3.7 IN SEARCH FOR ECONOMIC GROWTH

In 1996 the government adopted a strategy for rebuilding and restructuring the South African economy, entitled *Growth, Employment and Redistribution: A Macroeconomic Strategy*

(GEAR) (Department of Finance, 1996). Promoting the realisation of the reconstruction and development programme (RDP) goals, it is an integrated strategy to address the related challenges of meeting basic needs, and developing human resources and democracy. GEAR's primary focus is growth, achieved through greater export competitiveness, growing foreign investment and productivity improvements. Its main components are reducing the budget deficit, tight monetary policy, trade liberalisation, the removal of exchange controls, labour market flexibility, productivity improvements, and education and training.

Through the formulation and implementation of several interrelated policies,[6] accelerated economic growth would be stimulated, resulting in the following:

- an increase in gross domestic product (GDP) growth to 6% was expected by the year 2000;
- inflation being kept below the 10% barrier;
- 400 000 new jobs being created per annum by the year 2000;
- rise of 6% in gross domestic investment to 26% of GDP, and a 4% rise in gross domestic savings to 22% of GDP.

The underlying assumption of GEAR was that high levels of growth would enable poverty to be addressed through redistributive measures, and that as unemployment declined, poverty would gradually disappear. Economic growth would also generate additional public resources, which could be used to provide public services and poverty relief. Reality, however, does not appear to have kept pace with GEAR projections and, instead of a "win-win" situation, it is more a case of "win-some-lose-some".

Although the economy had grown by nearly 10% from 1994 to 1996 (Donaldson, 1997:459), jobs were either destroyed or no employment creation took place (Schoombee, 1998; Fallon & Lucas, 1998:7). Despite GDP growth being lower than anticipated,[7] improved financial management and tax collection combined with careful management of expenditure resulted in a sound fiscal environment (Cronin, 1998:514; Ryan, 1998:38). The weak economic growth was detrimental to all GEAR's projections (Roberts, 1998:16). Critics felt that GEAR had failed, not delivering on its promises, either in terms of growth or job creation (Heintz & Jardine, 1998:20; Schoombee, 1998:21). According to Cronin (1998:54), GEAR had ended up as merely an attempt to send the 'right signals' to foreign investors, confirming what GEAR's critics had always suspected.

[6] E.g. fiscal policy, trade, industrial and small enterprise policies, social and sectoral policies, monetary and exchange rate policies and employment, wage and training policies.

[7] GDP slipped from 3,2% in 1996 to 1,7% in 1997, zero growth was experienced in 1998, and 3% in 2000.

GEAR, however, should not bear all the blame. GEAR advocates point out that as South Africa becomes integrated with the world economy, our economy will be affected by unpredictable external factors (Cronin, 1998:54; Mittner, 1998b:62). Examples are the direct (or indirect) effects of the East Asian economic turmoil in 1998, the depreciation of the Brazilian currency and Brazil's bad debt in early 1999, and Britain's decision to sell some of its gold reserves, resulting in a plummeting gold price (Ryan, 1998:39). Globalisation is therefore also a culprit.

The 'rigidity of the labour market', too, can be blamed for the pullback in job creation in South Africa (Schoombee, 1998:21; Fallon & Lucas, 1998:10; Jacks, 1998) –see also Paragraph 2.4. Barker (2000:16) doubts if jobs will be created in a tug of war between business and unions, with business calling for labour laws to take into account rapidly changing circumstances, and unions demanding greater control. Labour market flexibility is one of the core elements of GEAR. The new labour law framework so far consists of the Labour Relations Act (66/1995), the Basic Conditions of Employment Act (75/1997), the Employment Equity Act (55/1998) and the Skills Development Act (97/1998). These regulations contribute to a more rigid labour market and accordingly undermine GEAR's goals.

Paragraphs 3.2 and 3.4 stated that expensive unskilled labour may intensify business's search for, and adoption of, labour-saving technology. Two primary sector employers – providing employment to lower skilled workers – agriculture and mining, have experienced the most extensive capital deepening since 1970 (Bhorat & Hodge, 1999:353). There were 3,5 million jobs in the agricultural sector in 1970, and 1,2 million in 1995. Currently there are only about 650 000 jobs in this sector (CPS, 2000:3). The mining industry has lost some 250 000 jobs in the past ten years (De Lange, 2000:7). Inflexibility in wages can increase rates of redundancy, and excessive requirements in terms of dismissal can deter employers from initial hiring (Baskin & Grawitsky, 1998:10; Fallon & Lucas, 1998:10).

With more than a third of South Africa's economically active population unemployed, job creation remains a top government priority. Regardless of who or what is to blame, it has become evident that job creation via economic growth is not a realisable goal in the near future in South Africa, as the country is currently experiencing a situation of jobless growth (Loots, 1998:335). New approaches are needed to curb the growing rate of unemployment.

3.8 QUEST FOR JOB CREATION

A Presidential Jobs Summit was held in October 1998. The occasion was the culmination of deliberations between business, labour and government over ways to address mass unemployment in South Africa. A process of public submissions and hearings, and consultations with religious leaders, non-governmental organisations and many other

organised groups augmented these discussions. The outcome of the consultations and deliberations was published as the *Declaration of the Presidential Jobs Summit* which was debated and signed on 30 October 1998. The declaration is seen as an important collective response to the current economic situation and the unacceptably high levels of unemployment in the country (Department of Labour, 1998a:3).

The agreements, commitments and statements of intent of the participants in the summit relate to areas other than the macro-economy, covering the following issues as well:

- Industrial policy measures and programmes that will directly address the question of employment and increased investment;
- new programmes to further strengthen the small, medium and micro-enterprise (SMME) sector of the economy – with tourism as an area of special focus;
- enhancing the delivery of housing and increasing the amount of rental housing stock available;
- human resource development in the form of training, education and targeted programmes for the youth, women and the disabled – this investment in human resources will be done in the context of job creation programmes that will develop infrastructure and contribute to sustainable employment;
- the operation of the labour market – including the question of job security, productivity and employment of the youth, women and the disabled;
- a range of special employment programmes and integrated regional projects;
- financial resource mobilisation and financing mechanisms to ensure the most effective contribution to employment creation;
- reviewing the regulatory framework to facilitate higher levels of saving and investment in the economy.

Some of the agreements that directly address job creation will now be presented in more detail and commented upon in terms of examples from similar interventions elsewhere and local critique.

3.8.1 JOB CREATION IN SECTORS OF THE ECONOMY

3.8.1.1 Sector summits

Job summits will be held in those sectors or clusters of industry with a high potential to create jobs and those with a high potential to lose jobs. The purpose of these sector-specific processes is to facilitate the development of industrial strategies designed to expand output and to create or save jobs. A key consideration will be how to avoid retrenchments while improving productivity (Department of Labour, 1998a:8).

3.8.1.2 Small business promotion

It is widely accepted that small business development is a major means of creating jobs and wealth (Loucks, 1988:1; 1992; Awasthi & Sebastian, 1996:1; Schlemmer & Levitz, 1998:78). However, the small, medium and micro-enterprise (SMME) sector can make a substantial contribution towards job creation only if there is an enabling environment. To overcome the obstacles faced by the SMME sector, the government has developed new programmes targeting small business, and has modified existing programmes to effectively accommodate the needs of small businesses (Department of Labour, 1998a:13).

The SMME sector is, indeed, seen as a sector with great potential for creating jobs for people who have not been able to access the mainstream economy (Paragraph 3.4.1). However, Tosterud (1996:36) cynically states that sufficient economic growth through entrepreneurship of the survivalist, subsistence type is at best wishful thinking when the high rate of unemployment, coupled with stagnating economic growth, is considered.

Horn (1994:83-84) also lists a number of problems that can arise if the SMME sector is considered a cure-all for unemployment in the South African economy. In the first instance, the SMME sector has displayed a fairly limited job-creating capacity. Secondly, some job creation strategies in this sector (such as subcontracting) may cause job losses in the formal sector. Furthermore, the jobs in the SMME sector are invariably lower wage jobs. Finally, if job creation in the SMME sector is accompanied by job losses in the formal sector, retrenched formal sector workers may start to crowd into the informal sector. Because they are generally more skilled than the people who are already in the informal sector, they dominate the higher wage occupations, while those (mainly women) who have operated in the informal sector all along continue to occupy the lower wage occupations in an increasingly overcrowded sector.

Confirming that most income-earning activities in the informal sector generate poor incomes, Bhorat and Leibbrandt (1998:29-40) warn that variables such as race, gender, education and location are important determinants of the financial status of the self-employed and predictors of potential poverty among the self-employed. In a study to examine the earnings distribution among the self-employed they discovered that the most indigent are likely to be African women living in rural areas, involved in retail and services activities. They also found education to be a crucial determinant of the level of earnings. For example, a primary and secondary level of education is required to enable the self-employed to live above the poverty line.

Davis *et al.* (1997:60) echo this warning against the assumed job-creating capacity of small business. They found that typical employment in newly established and smaller businesses has a significantly lower one-year survival potential than a typical job at more established and

larger employers. Furthermore, existing and new jobs are less secure in small businesses than in large businesses and, once lost, small business jobs are less likely to reappear.

The constraints facing entrepreneurs in the SMME sector in South Africa are enormous (e.g. access to finance, subsistence and low-income economies as markets). The use of local business services to ensure the necessary support structure for SMME development is widely adopted to encourage enterprise and self-help (Loucks, 1988:3; Levin, 1994:242; Awasthi & Sebastian, 1996:14). Expanding the current service structure would be of great help to current and potential entrepreneurs, especially in underresourced areas.

Levin (1994:242) and Sibeko (1994:20-23) mention agencies that provide not only support services to potential entrepreneurs in the creation of new sustainable businesses, but also employment services to the unemployed. Sibeko discusses the economic opportunities programme of NICRO, while Levin calls these initiatives 'local initiatives', 'local enterprise agencies' 'local employment agencies'. These services include

- registering the unemployed and developing a database that outlines the skills of the unemployed, serving as a talent bank;
- placement and counselling services;
- facilitating training and retraining (life and vocational skills);
- negotiating labour contracts to ensure that new reconstruction and development contracts and special employment programmes draw the labour force from the community targeted for development or renewal;
- promoting self-employment;
- business skills training and support (identifying opportunities, writing of business plans, etc.);
- facilitating access to start-up funding or funding for expansion.

It is unlikely that people without education will get beyond owning very small businesses. Those involved in income-generating activities are mostly engaged in retail activities and services, resulting in saturation of the market and low earnings. Retrenched formal sector workers who launch small business ventures pose a threat to the people who are already in a crowded informal sector. Those economically active in the informal sector do generate an income, though, which needs to be offered as an option to the unemployed. Local business services centres accredited to the Department of Trade and Industry, and the Department of Labour's employment offices and welfare pay points can play an important role as 'local employment agencies'.

3.8.1.3 Tourism

The South African tourism industry has great potential for sustainable job creation in the short term. Business and the government are committed to ensuring that the full potential of this highly labour-intensive industry is achieved (Department of Labour, 1998a:19). It has been agreed to market South Africa aggressively as a prominent tourist destination, to promote the entry of SMMEs into the tourism sector and to train 5 000 new learners, within three years, in travel and tourism through a structured programme of learnerships.

Tourism has been the world's fastest-growing economic sector over the past 25 years (Fair, 1997a:156), with South Africa as one of the world's fastest-growing tourist destinations since it emerged from its former isolation (Futter & Wood, 1997a:54). In 1996 Europe (52%) and America (26%) accounted for the lion's share of arrivals, while Africa's share was a modest 2%. What is encouraging, though, is that South Africa increased its share of African arrivals from 13,5% in 1990 to 31% in 1995 (Futter & Wood, 1997a:55). Furthermore, South Africa has managed to rise to number 25 in the list of the world's top 40 tourist destinations (Anon., 1999:11).

Although tourism is a growth industry, evidence suggests that tourism-based development strategies have mixed results. This becomes apparent when the literature on the topic is surveyed. In most of the sources reviewed the authors enumerate the benefits of tourism, but at the same time point out its disadvantages. The benefits are listed as follows:

- It is a strong economic contributor (Fair, 1997b:151).
- Tourism is a large generator of jobs. The World Travel and Tourism Council estimates that, in employment terms, tourism is the world's largest industry, providing employment to one in every nine workers globally (Futter & Wood, 1997b:49). It is estimated that for every 30 additional tourists visiting an area one direct new job is created (Handley, 1996:138).

The disadvantages of tourism include the following:

- The majority of jobs are menial and unskilled. For example, although tourism accounted for about 7 000 jobs in Gambia in 1989, it provided jobs in mainly unskilled occupations with little hope of advancement (Fair, 1997b:148). While Kenya is widely recognised as one of the major tourism countries in Africa, the industry has not contributed significantly to raising general living standards (Fair, 1997a:157).
- Employment is highly seasonal and those employed in tourism cannot supplement their incomes through agriculture, since the seasons for both coincide (Koch *et al.*, 1998:910). According to Futter and Wood (1997c:65), half the staff is laid off when hotels in Gambia are closing during low season, while the rest receive reduced wages.

- Little of the tourist revenue or 'gross tourism receipts' reaches local communities. According to Koch *et al.* (1998:909), the World Bank estimated in 1992 that 55% of every tourism dollar spent worldwide leaks out of the destination country. Most tourist spending (65%) takes place in the home country, on airfare and prepaid expenses (Futter & Wood, 1997a:57; Handley, 1996:137).
- Tourism is sensitive to sociopolitical and economic events and crime. According to Fair (1997a:160), the Gulf War seriously affected tourism in East Africa as did rising oil prices and higher airfares. Reports of political instability and attacks on tourists generate negative publicity overseas. As a result, cancellations and stayaways can cause arrivals to fall substantially (Fair, 1997a:160). On average it takes five to nine years for arrivals to recover to the levels before the unrest/problems in the affected countries.
- Tourism development may adversely affect the prices of facilities, food and services to the extent that the local community cannot afford to pay for them (Stavrou *et al.*, 1996:42).

Although jobs in tourism are primarily low skilled and low paid, they do provide access to the labour market and an income. Improvements in public infrastructure and social services also result from tourism development –raising local communities' standard of living and levels of human development.

3.8.1.4 National Presidential Lead Project

To address housing backlogs the national presidential lead project (NPLP) on housing will be used to pilot affordable mass housing delivery (50 000-150 000 units) and alternative forms of tenure, specifically rental tenure. This project should lead to the creation of jobs and significant sustainable economic development. The use of labour-intensive construction methods would be an important criterion in awarding tenders for the erection of houses. The granting of special access to small and emerging construction companies, targeting the most needy within beneficiary communities (women, the disabled and the youth), and the provision of training and skills development, are further objectives (Department of Labour, 1998a:22-26).

3.8.2 LABOUR MARKET AND HUMAN RESOURCE DEVELOPMENT FOR JOB CREATION

3.8.2.1 Social plan approach

During the deliberations at the Presidential Jobs Summit, agreement was reached on a framework to guide affected parties on ways of dealing with large retrenchments in all sectors. Called the *social plan approach*, it aims to avoid job losses and employment decline wherever possible. If large job losses are unavoidable, the social plan approach will seek to actively

manage retrenchments and cushion their effects on individuals and local economies. If possible, ways will be found to reintegrate retrenched people into the economy, which will help revitalise affected local communities (Department of Labour, 1998a:29-33). The social plan approach entails *inter alia* the following:

- Establishing forums to timeously analyse problems that may lead to job losses in a particular sector or company, to explore appropriate solutions and to implement these in a properly planned way.
- Establishing a social plan technical support facility for information and research assistance.
- Assistance from the Department of Labour in providing **standard services** (e.g. job advice centres; information packs on support measures available to retrenchees on such issues as UIF benefits, financial management, training and job-seeking skills; registration of workseekers; and information on the labour market, and local economic development possibilities and skills required in the area) and **additional services** (e.g. group and individual counselling; skills assessment and certification of prior learning; assessment of potential and development of a career plan; and training and retraining of workers, in line with the skills development strategy).
- Providing support to people affected by downscaling operations who are keen to start their own enterprises.

Broadening the functions of the Directorate of Employment Services of the Department of Labour to minimise the amount of time a person is out of work is essential. It is widely accepted that the longer an unemployed person has already been out of work, the more difficult it is to find a job (Shackleton, *et al.*, 1995:196). Furthermore, wage growth in the new job is lower for workers who experience long jobless spells (Seninger, 1997:1170). In a study to estimate the effect of counselling and monitoring on unemployed people in the Netherlands, Gorter and Kalb (1996:608) found that counselling and monitoring the unemployed do reduce the time taken to find a job, especially for people who were previously employed. Gitter and Scheuer (1998:31) appraise the Czech Republic's low unemployment rate amid transformation from a planned to a market economy as a miracle. Among the factors cited as playing a role in the low Czech unemployment are the efforts of federal employment offices. The social plan approach agreed upon at South Africa's Presidential Jobs Summit can therefore play an important role in helping people facing retrenchment, as well as the unemployed.

In view of the declining number of counsellors in the employ of the Directorate of Employment Services[8] it is doubtful, however, whether the directorate's personnel will be able to manage

[8] From 150 counsellors in 1991 to 85 in 1997.

additional responsibilities without expanding the staff component.[9] To lighten the burden on the Department of Labour, it was decided in 1997 that the Department of Education would in future assume responsibility for career guidance and life skills for learners in all the education bands (Department of Labour, 1998b:88). The Department of Labour would remain responsible for employment counselling, teaching job-hunting skills to the unemployed, and providing information on skills development and employment opportunities. This would be a daunting task, considering that in 1997, 3,7 million unemployed persons had voluntarily registered with the Department of Labour, of whom only 40 372 could be placed in employment.

Figure 3.7: Job-placements by the Department of Labour

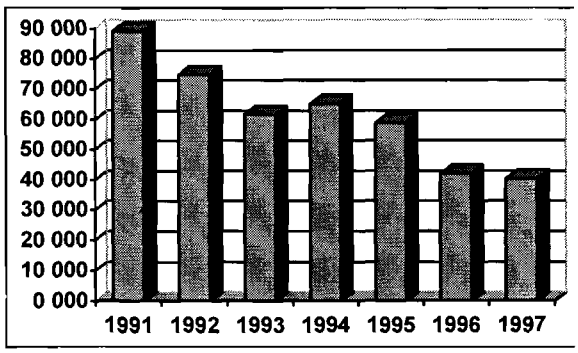


Figure 3.7 depicts the declining number of unemployed persons placed in jobs over the years by the Department of Labour. It is clearly a reflection of the state of the economy and consequent lack of job opportunities in the country.

Source: Department of Labour – Annual Reports (1994/95, 1995/96, 1996/97).

It is clear that the effects (and cost-effectiveness) of these interventions seems questionable. At an average cost of R870 per person (amounting to at total of R221 million) the Department of Labour trained 254 402 unemployed persons in the three years from 1995 to 1997 (Table 3.5).

TABLE 3.5: TRAINING OF UNEMPLOYED PERSONS, BY SECTOR: DEPARTMENT OF LABOUR (1995 – 1997)

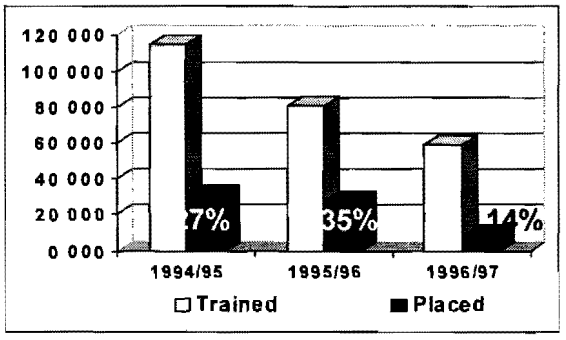
	1994/1995				1995/1996				1996/1997			
	Trained	Placed		Cost	Trained	Placed	%	Cost	Trained	Placed	%	Cost
Sector	N	N	%	R	N	N	%	R	N	N	%	R
Formal sector	48 838	10 201	21	32mil	33 561	11 183	33	27mil	22 422	2 935	13	20mil
Informal sector	53 682	15 068	28	37mil	35 167	12 543	36	29mil	24 352	4 312	18	22mil
Building sector	9 500	5 217	55	13mil	8 626	2 552	33	15mil	6 731	743	11	17mil
SMME sector	1 804	693	38	1mil	1 914	1 140	60	1mil	3 642	443	12	1mil
Disabled	1 246	275	22	2mil	1 358	464	34	2mil	1 559	20	1	2mil
Total	115 070	31 454	27	85mil	80 626	27 882	35	73mil	58 706	8 453	14	63mil
Average amount spent				R 735 p.p.				R 905 p.p.				R 1 086 p.p.

Source: Department of Labour – Annual Reports (1994/95, 1995/96, 1996/97).

[9] The UK's Employment Service employ some 33 000 people, in more than 1 000 Job Centres countrywide (Paragraph 2.5.1).

Of those trained, 67 789 unemployed persons (at an average of 26,6%) could be placed in a job (Figure 3.8). The lack of job opportunities is evident in the ratio of placements the department secured.

Figure 3.8: Unemployed persons trained and placed by the Department of Labour



Source: Department of Labour – Annual Reports (1994/95, 1995/96, 1996/97).

In an effort to increase the ratio of employment counsellors to people requiring help, the Department of Labour has progressively switched from an individual to a group and community-based approach, and has started to train volunteers to deliver a basic career guidance service in their communities. The importance of an information system to collate data that will improve the efficiency of service delivery and the job-search behaviour of all job seekers is fully realised. Although technical and financial assistance from foreign countries and agencies has been obtained, such a labour market information system will take time to become fully functional.

The result will hopefully be one-stop labour exchange centres where scholars, students, college/university graduates, retrenched professionals and other unemployed people, career changers, people moving from welfare to work, veterans and workers with disabilities, all can obtain job search assistance and/or register for special employment programmes and UIF payments. According to Mariani (1997:3), the US Department of Labour is reaching 80% of the US civilian labour force through one-stop career centres. The one-stop idea simply involves putting all employment and training services in one place to facilitate their use.

3.8.2.2 Social security

It was decided at the Presidential Jobs Summit to review the existing social security system; an effective comprehensive system aimed especially at those living in poverty and the unemployed, will then be planned, developed and implemented (Department of Labour, 1998a:40). No universal cash benefits are available in pure form in South Africa. Luiz

(1995:586-587) lists the most important cash benefits as means-tested payments to protect people against particular stages of the life cycle and certain contingencies. They are

- means-tested pensions for the elderly, disabled, blind and war veterans, and military pensions referred to as social pensions;
- maintenance grants, which are means-tested allowances paid to children, parents and foster parents under certain conditions;
- family allowances targeted at the working poor with large families (these are being phased out);
- insurance-based benefits that are paid under the Unemployment Insurance Act and the Workmen's Compensation Act.

With declining job opportunities in the formal sector of the economy, irregular incomes from informal sector activities and remittances, and the short-term and temporary nature of job creation projects, it is unlikely that the unemployment rate, and consequently poverty levels, will decline in the foreseeable future. It is becoming increasingly difficult for people to rely on their own initiative and resources to survive (except for criminals, it seems). During the deliberations at the Presidential Jobs Summit, COSATU called for the extension of UIF benefits for the unemployed, especially women (Cottle, 1999:77). Acknowledging that generous unemployment benefits may discourage work seeking and acceptance, Nickell (1998:47) and Luiz (1995:581) call for some form of safety net or alternative methods of protecting the unemployed from poverty. Luiz (1995:592) and Tørres (1996:89) place the responsibility for creating a sustainable welfare system squarely on the shoulders of the government.

3.8.2.3 Education, training and learnerships

Participants at the Presidential Jobs Summit committed themselves to the progressive building of South Africa's human capacity. With regard to formal education, the aims were to improve school quality management in a significant proportion of the country's schools, to reduce 'repeater rates' in order to improve schooling efficiency and to bring down the overall cost of education, and to enhance the efficiency of the further education sector (Department of Labour, 1998a:41-42). In support of the Skills Development Bill – aimed at improving the relationship between education, training and the workplace – a major learnership[10] drive in the tourism and hospitality industries and in other sectors of the economy where there is a growing demand for skills, was agreed upon. According to the Department of Labour (2001:40), a number of learnerships are under development or have been piloted in the tourism and hospitality

[10] See Paragraph 3.8.1.3.

industries, in the plastics industry and in the building and construction industry. Those who are out of work will be targeted.

The new learnerships that are being introduced will ensure that more young people are provided an opportunity to learn a skill that is demanded by the labour market. The Department of Labour's (2001:40) expectation is that a minimum of 80 000 under 30 years of age would have entered a learnership by March 2005. Furthermore, it is hoped that at least half (50%) of those who had completed a learnership would be in employment, full-time study or a social development programme within in six months. These objectives seem modest compared to what was achieved in the UK (see Paragraph 2.5.1). After a similar scheme was introduced in 1995, the number of people enrolled in Modern Apprenticeships stood at 118 300 as at March 1998 (Lord, 1999:31).

3.8.2.4 Special groups (youth, women and people with disabilities)

A youth brigade programme will be established as a means of involving out-of-school and out-of-work youth in public works and/or community service. It is also seen as a bridging mechanism to facilitate the youth's access to income-generating opportunities. Participants in the youth brigade will receive accredited education and training and an allowance. Four initial lead programmes have been identified, namely working for water, community-based public works programmes, the clean and green living campaign, and the campaign against HIV/AIDS (Department of Labour, 1998a:45-54: Mulaudzi, 2000:131). These programmes are outlined in 'special employment programmes' below.

In recognition of the fact that women have gained less from opportunities generated through special employment programmes (SEPs) than men, it was agreed by the participants in the Presidential Jobs Summit that the agencies that implement SEPs will set a target where 60% of those employed will be women. High illiteracy rates among women will be addressed through the provision of adult basic education and training as a component of training in industry, for self-employment and in SEPs. The Department of Labour will assume responsibility for co-ordinating and launching a campaign to encourage women to enter all sectors of the economy. It is, however, recognised that many women work in traditional, undervalued jobs such as cleaning, domestic service, food preparation and educare. The establishment of a cleaning sector education and training authority and the strengthening of SMMEs in the service industry were also envisaged. With respect to the mentorship scheme and business incubation projects, it was decided to set targets whereby 50% of mentorships and 50% of space allocated in incubation projects would be reserved for women entrepreneurs (Department of Labour, 1998a:48).

The Presidential Jobs Summit also provided a framework within which concrete intersectoral and interdepartmental strategies, objectives and outcomes for the economic empowerment of the estimated 10% of South Africans with disabilities could be implemented (Department of Labour, 1998a:52).

3.8.2.5 Special employment programmes (SEPs)

In response to the challenging task of creating sustainable jobs in the current economic context, SEPs are seen as a means of quick job creation, particularly for the most vulnerable groups in the labour market. In these programmes it is possible to introduce special initiatives to ensure labour-intensive methods and training. A set of programmes that will be further expanded over the next few years was proposed by participants in the Presidential Jobs Summit (Department of Labour, 1998a:55-59). These programmes are outlined below, followed by some comments.

1. **Clean and green living campaign:** This new programme involves municipal waste collection in poorly serviced as well as unserviced areas, linking up with small recycling operations to facilitate the programme's sustainability. The campaign will also promote the creation and maintenance of recreation facilities and support inner-city building rehabilitation. As over 50% of South Africans, mainly in high-density townships, rural areas and informal settlements, do not have access to waste collection systems, the potential exists for the creation of tens of thousands of jobs. The success of the programme will, however, depend on communities' willingness to pay for these services.

2. **Working for water:** This project is aimed at clearing invasive alien vegetation. In addition to creating short-term employment, it removes water-absorbing alien vegetation and promotes water security. It is an inexpensive short-term job creation and conservation project with many benefits.

3. **Land care campaign:** This is a new community-based programme focusing on the rehabilitation and conservation of natural resources (soil, water sources and vegetation) through sustainable utilisation and the creation of a conservation ethic through education and awareness. It also seeks to address rural poverty through sustainable job creation and will reinforce the working for water programme.

4. **Housing:** For more information refer to the NPLP on housing (Paragraph 3.8.1.4). It is estimated that the government's low-income housing programme generated 109 445 direct and 164 168 indirect employment opportunities in 1997, with an expenditure of about R2

billion on the subsidy programme. While these are not sustainable jobs, they do make an important short-term contribution to employment.

5. **Consolidated municipal infrastructure programme (MIP):** Linked to the housing programme, the MIP channels capital subsidies to investment in basic service infrastructure for low-income households and to the rehabilitation of collapsed infrastructure in previously disadvantaged areas. It is estimated that the programme could support the creation of the equivalent of some 20 000 jobs.

6. **Rural water supply and sanitation:** In total, R950 million was spent in 1997/8 on delivering water and sanitation services to well over one million people not previously served. This programme created the equivalent of 41 480 temporary jobs in 1997/8, mainly in the poorest provinces, employing mainly women and young people.

7. **Welfare programmes:** The government aims to redirect welfare spending away from programmes that promote dependency towards those that offer a more developmental approach and are aimed at social investment to build human resources and social assets. Programmes such as the flagship programme for unemployed women with children under five offer opportunities for unemployed, poor rural women with young children to break out of hardship and poverty by providing training, education and social resources.

8. **HIV/AIDS brigade:** This special programme will be introduced to combat the HIV/AIDS epidemic. According to Mulaudzi (1998:135), it will be called upon unemployed young people to act as peer educators and to promote a culture of non-discrimination in HIV/AIDS awareness programmes.

9. **Community-based public works programme (CBPWP):** The CBPWP is aimed at poverty alleviation through job creation, primarily in rural areas. Provincial authorities and NGOs would have to implement the programme. A recent evaluation revealed that the programme has successfully reached poor communities, as demonstrated by the number of those employed and trained, and by the spatial distribution of activities. Since its inception, over 900 projects have been implemented, mainly in rural areas, creating the equivalent of about 41 650 temporary jobs.

10. **Literacy:** Unemployed young people with a Grade 12 qualification and those in higher education institutions will be involved in providing literacy programmes (Mulaudzi, 2000:134).

These programmes are fragmented across sectors and offer employment to only a small fraction of the unemployed, not even absorbing those jobs lost in formal sector restructuring (Krafchik & Robinson, 1998:63).

3.8.2.6 Spatial development initiatives (SDIs)

A common denominator of most of these programmes is their implementation in and around spatial development initiatives (SDIs). SDIs are targeted interventions by the central government aimed at unlocking economic potential and facilitating new investment and job creation in a localised area or region (Jourdan, 1998:718). Following a number of studies, certain areas were identified for investment on the basis of their unrealised potential for economic development; similarly, lead sectors were identified for possible future investment (SDI, 2000).

South Africa has a well-established SDI programme with 12 SDIs at varying stages of delivery, such as the Maputo Corridor, the Phalaborwa SDI, the Platinum SDI, the West Coast Investment Initiative, the Fish River SDI, the Wild Coast SDI, the Richards Bay SDI, the Durban and Pietermaritzburg nodes, the Lubombo SDI, the Blyde River SDI, the Coast-2-Coast SDI and the Gauteng Special Economic Zones (SDI, 2000).

Driver (1998:803) warns that it cannot summarily be assumed that an initial increase in SDI-related investment and permanent employment will automatically lead to further investment and employment creation. Although numerous jobs will be created in the construction phase of these projects, they will be temporary in nature and the impact on overall unemployment levels will be relatively small. Aniruth and Barnes (1998:845) confirmed this when they analysed the rapid industrialisation and growth of Richards Bay. They found that most industries in the Richards Bay SDI were highly capital intensive, while 30% of the workforce in the region was unemployed.

Acknowledging that SDIs have led to the creation of many jobs in developing countries, Newman (1998:43) warns against exploitation in the form of low wages, long hours of work and an attack on trade union rights. He refers to the Maputo Corridor as an example where local communities experienced negative effects, while large businesses benefited. No local labour was used – workers and other resources were imported from Gauteng. Mitchell (1998:756-766) believes investment in the Maputo Corridor will result in an acceleration of economic growth, but doubts if it will create enough jobs to impact significantly on the local labour market.

Fitschen (1998:782) attributes the limited use of local labour to the lack of skills in an SDI area. In a study on the impact of the Saldanha steel project,[11] Fitschen found that in mid-June 1997, at the height of the construction phase, 47% (3 146) of the workforce comprised locals and a further 22% came from the rest of the Western Cape. Only 94 of the 4 069 people on the local labour register at the start of the project had had any previous experience. Overoptimism about the job creation potential of SDIs may result in dashed expectations. According to McCarthy (1998:78), the Saldanha/Vredenburg area experienced an influx of work seekers, causing an increase in local unemployment and crime rates, and a backlog in the provision of housing.

As in the case of tourism-led development, jobs created through SDIs will have a relatively small impact on local labour markets. A large number of the jobs created will be temporary jobs with no guarantee that industrialisation will be labour intensive. Without an effort to train local unemployed people in the skills needed for the construction phase of SDI projects, skilled workers will have to be imported from other regions, resulting in only a few of the local unemployed getting low-wage jobs.

3.8.3 SYNTHESIS

The past six years of democratic rule in South Africa have been characterised by policy making and legislative reform aimed at meeting constitutional imperatives in all spheres of life, as well as facilitating the reconstruction and development of the country. In an effort to address structural imbalances, the South African government embarked upon a macro-economic strategy for growth, employment and redistribution (GEAR). In its integrated scenario, which sketches a higher economic growth path, GEAR projected the GDP to rise, resulting in an increase in new formal employment opportunities. Flexibility and equity in the labour market, skills development, reducing imports, improving exports, and the support and development of small, medium and micro-enterprises are some of the major aims of GEAR.

Since it inception in 1996 it has become clear that the goals set in GEAR were unrealistic, and that job creation through economic growth alone would not curb the growing rate of unemployment in South Africa. The drive for job creation culminated in the Presidential Jobs Summit in October 1998. The broad objectives of the Presidential Jobs Summit are those of GEAR, which in turn echoes the RDP's objectives. Apparently a more refined and focused initiative, the Presidential Jobs Summit is more specific in term of targets set, the sectors of the economy and geographical areas identified, and the target groups projected to benefit from the job creation interventions.

[11] The Saldanha Steel Project is part of the West Coast Investment Initiative.

3.9 SUMMARY

The South African economy is growing, but at the same time shedding jobs. This situation is not unique to South Africa – countries throughout the world are battling with growing unemployment and most blame it on globalisation. The number of formal job opportunities is decreasing rapidly as industries shift from labour-intensive production to capital-intensive processes, especially in the agriculture, mining, manufacturing and construction sectors of the economy.

Parallel to the shifting emphasis away from primary and secondary industries to tertiary and service sectors, there is a movement within individual sectors away from unskilled and semiskilled occupations to those that require a higher level of skill. Several reasons are advanced for the tendency to increase productivity through the use of technology, of which an overregulated labour market and a shortage of appropriately skilled workers are the most common.

South Africa's underlying economic structure is that of a developed economy, but its labour force is lagging behind. While the country is experiencing jobless economic growth, its labour force is increasing rapidly because of the high population growth rate.

The South African labour force is characterised by an abundance of workers who are relatively young and poorly skilled. As in a typical developing country, there is an oversupply of unskilled workers, and a shortage of skilled workers in South Africa. The pattern of education is reflected in the occupational distribution of the labour force. In 1996, less than a quarter of all the workers in South Africa were employed in highly skilled occupations such as legislators, managers, professionals and technicians. Decreasing trends in job creation in the formal sector mean that a growing number of people are forced to earn a living in the informal sector of the South African economy. More than a quarter of all the employed people in South Africa have found jobs in this sector.

In line with global trends there is a movement away from primary and secondary industries to tertiary or service sectors. This results in fewer employment opportunities for unskilled workers. Most unemployed South Africans in 1996 who had been employed before had been employed as elementary workers, craft and related trade workers, and service workers. With no formal employment growth to replace job losses and accommodate new entrants to the labour market, unemployment is becoming a serious problem, placing South Africa among the countries with the highest unemployment rates in the world.

In most of the broad industrial sectors a further decline in employment is expected in the short term. Only a few of these sectors anticipate growth and a consequent increase in the demand

for labour. The sectors are trade, catering and accommodation; the construction industry; the finance, insurance, real estate and business services sector; and the communications sector.

Job creation will probably take place mainly in the professional and managerial categories, while job losses will occur in the semiskilled or unskilled categories, largely because of the impact of computerisation and new technology.

The skills profile of our labour force is poor and uncompetitive in terms of the global economy. There are too few professional and skilled people, while many workers lack basic skills, which restricts their employability to only the most menial tasks. This can largely be attributed to the history of segregation in the provision of formal education. Separate departments of education, separate schools for the different population groups and differentiated expenditure remained central to the South African education system until 1990.

The basis for skills formation in ordinary schools was – and still is – poor, resulting in huge disparities in the skills levels of the different population groups in South Africa. It is especially in subjects such as mathematics and science, and in the field of vocational education and training, that the South African system of education has fallen behind.

Despite considerable past and likely future improvements in high school and university enrolment ratios, some backlogs in the educational levels of African and coloured persons, relative to whites and Asians – especially at university level – are likely to remain. Due to continuing low achievement in mathematics and science, and poor vocational education and training outputs, skills shortages occur in the natural sciences, engineering, built environment, health, law, and economic and management sciences fields, while there is an oversupply of qualifications in the nursing, administration and educational fields.

These factors and the extent of the malfunctioning of the South African labour market are the major reasons for setting objectives aimed at improving the quality and relevance of learning.

Since South Africa's first national democratic elections in 1994, the state has issued several policy documents intended to democratise education and eliminate inequalities in the education system. Evidently much was learned from the experience of other countries in formulating these policies. At the heart of the policies is the national qualifications framework (NQF).

The main purpose of the NQF is to close the gap between education and training, and to facilitate movement between different types of educational institutions – regardless of the age, circumstances and level of education and training of the learners – thus allowing for lifelong learning. A new outcomes-based approach to education and training (OBE) has also been adopted. Although it is hoped that that the implementation of OBE will supply South Africa with

a skilled and flexible workforce, critics warn that the country will not overcome all its deeply rooted social and educational problems, simply by introducing a new curriculum.

Through the implementation of a multi-year plan for ABET, it is aimed to reach some 2,5 million adults by 2001 at a total cost of R5,5 billion. The Further Education and Training Act, 1998, and the Education White Paper 4, set out an agenda intended to lead to a more cost-effective and efficient FET system. The purpose and mission of FET are to respond to the human resource needs of South Africa in respect of personal, social, civic and economic development.

In order to enhance the skill levels of the workforce and to promote learnerships (apprenticeships), a training levy has been imposed on employers since 2000. The National Skills Bill compels organisations to develop workplace skills plans and to submit them to a relevant sector education and training authority (SETA). Education and training institutions – especially FET providers – in turn will have to establish close relationships with SETAs and business enterprises in order to identify training needs, to develop learning materials and to conclude learnership agreements.

The abovementioned measures to improve the skills base of the country will on their own not ensure that every person entering the labour market will be employed. Policies to influence the demand for skills should also be in place, to ensure the existence of labour opportunities in the various economic sectors. Strategies for stimulating economic growth and job creation were introduced after the democratic elections in 1994. In an effort to address structural imbalances, the South African government embarked upon the macro-economic strategy for growth, employment and redistribution (GEAR). However, since its inception in 1996 it has become clear that the GEAR goals were unrealistic, and that job creation through economic growth alone would not curb the growing rate of unemployment in South Africa. The drive for job creation culminated in the Presidential Jobs Summit in October 1998.

The abovementioned strategies for enhancing skills formation and job creation in South Africa are set on a national level, but have to be implemented on various levels (e.g. national, provincial, regional and local levels). This poses a further challenge to provincial and local government authorities. Although South Africa's overall economic structure shows elements of a developed economy, huge disparities exist between provinces and within provinces. The next chapter will highlight differences in the economies, labour markets, labour forces and skills formation systems in Gauteng and the Eastern Cape.

4. A LABOUR MARKET SITUATIONAL ANALYSIS OF GAUTENG AND THE EASTERN CAPE

4.1 INTRODUCTION

South Africa's underlying economic structure is that of a developed economy, but the economy exhibits elements of all four stages of Porter's model (Paragraphs 2.2.1-2.2.4). The national economy is the sum of the economies of the nine provinces in the country. The structure of local industry clusters, along with the social and educational characteristics of the workforce, local production relations, social networks and political institutions, play a key role in shaping the economy in a region (Benner, 2000:5). The location and distribution of employment differs significantly from province to province.

Economic disparities in South Africa – between provinces and between regions in a province – is growing. This becomes evident when provincial comparisons are made. Gauteng, for example, ranks first as a contributor to the total wealth created or the GDP in South Africa (Table 4.1). The province employs almost a third of all the workers in the country and has the highest proportion of workers who obtained a Grade 12 or higher educational qualification.

TABLE 4.1: PROVINCIAL DISPARITIES IN SOUTH AFRICA

Share of population	Share of employed	GDP 1994	Dominant private sector	Grade 12	Grade 7	Functional illiteracy	Unemploy-ment rate
Gauteng							
18.1%	28.1%	37.7%	Trade. Man. Fin	32.0%	46.9%	21.2%	28.2%
Western Cape							
9.7%	15.1%	14.1%	Man.Trade. Agri	29.5%	48.1%	22.4%	17.9%
KwaZulu-Natal							
20.7%	17.2%	14.9%	Man. Trade. Agri	20.7%	38.5%	40.8%	39.1%
Mpumalanga							
6.9%	6.6%	8.2%	Agri. Trade. Man	19.6%	35.9%	44.6%	32.9%
Free State							
6.5%	7.7%	6.2%	Min. Agri. Trade	18.8%	42.6%	38.5%	30.0%
Northern Cape							
2.1%	2.4%	2.1%	Agri. Trade. Min	17.7%	39.7%	42.7%	28.5%
North West							
8.3%	8.0%	5.6%	Min. Trade. Agri	17.5%	39.3%	43.2%	37.9%
Eastern Cape							
15.7%	8.6%	7.6%	Man. Trade. Agri	15.8%	41.7%	42.6%	48.5%
Northern Province							
12.1%	6.3%	3.6%	Agri. Trade. Min	18.5%	32.5%	49.0%	46.0%

Source: Census in Brief (Stats SA, 1998). GDP figures: (DBSA, 1998:2).

Primary sector economies – such as the economies of the Free State, Northern Cape, Northern Province and the North West (agriculture and mining sectors create half the job opportunities in the provinces) – absorb lower educated workers (Table 4.1). Although 43% of

the Northern Cape's workforce can be regarded as functionally illiterate, the province has a below (national) average unemployment rate. This can be ascribed to the fact that the agricultural sector in the province creates 38% of all the job opportunities in the province.

Examples of these differences were also highlighted in Paragraph 3.4.2, but are now further explored. Two extreme provinces will be discussed, namely Gauteng, perceived as a relatively developed urban economy (exhibiting the last three stages of Porter's model), and the Eastern Cape with its relatively well-developed manufacturing urban centres and underdeveloped rural areas. Although basically factor-driven, the Eastern Cape is moving towards the investment-driven stage (Paragraph 2.2.2). Gauteng is geographically the smallest province – with the Eastern Cape the second largest province in South Africa – but hosts one million more people than the Eastern Cape. Compared with the Eastern Cape, Gauteng has an older and better educated population, with more people of working age than the Eastern Cape. Furthermore, Gauteng's unemployment rate is at 28% below the national average unemployment rate (34%), while the Eastern Cape's is the highest in the country (48%).

4.2 DEMOGRAPHIC PROFILE

Geographically, Gauteng is the smallest province, covering only 1,4% of South Africa's surface area. It is, however, the second largest province in terms of population size and it is almost entirely urban in character. Geographically the Eastern Cape is the second largest province, covering about 14% of South Africa's landmass. The majority of the province's population (65%) is non-urban, village dwellers living in areas where there are few resources and services.

4.2.1 TOTAL POPULATION

The Gauteng province's total population, estimated at 7,3 million in 1996, represents 18% of all the people living in South Africa (40 million), while the Eastern Cape's total population was estimated at 6,3 million (16%) (Table 4.2). The majority (97%) of Gauteng's inhabitants lived in the urban areas of the province at the time of the census, while the Eastern Cape was more rural in character. Although the majority of people living in both provinces were Africans (Gauteng 70,6% and Eastern Cape 86,4%), Gauteng was host to more white and Asian residents than the Eastern Cape. Demographically, Gauteng had an older population, with a smaller child (0-14 years) population and a bigger proportion of people of working age than the Eastern Cape.

TABLE 4.2: KEY DEMOGRAPHIC INDICATORS OF GAUTENG AND THE EASTERN CAPE, 1996

	Gauteng				Eastern Cape			
Total population	7.3 million				6.3 million			
Urban and non-urban population	Urban 97.0%		Rural 3.0%		Urban 36.6%		Rural 63.4%	
Population group distribution (%)	African 70.6	Coloured 3.8	Asian 2.2	White 23.2	African 86.4	Coloured 7.4	Asian 0.3	White 5.2
Children in the age group 0-14 years	1.8 million (25.0%)				2.5 million (39.6%)			
People of working age (15-64 years)	5 million (69.5%)				3.4 million (54.5%)			
The elderly (65+)	0.3 million (4.1%)				0.5 million (5.5%)			

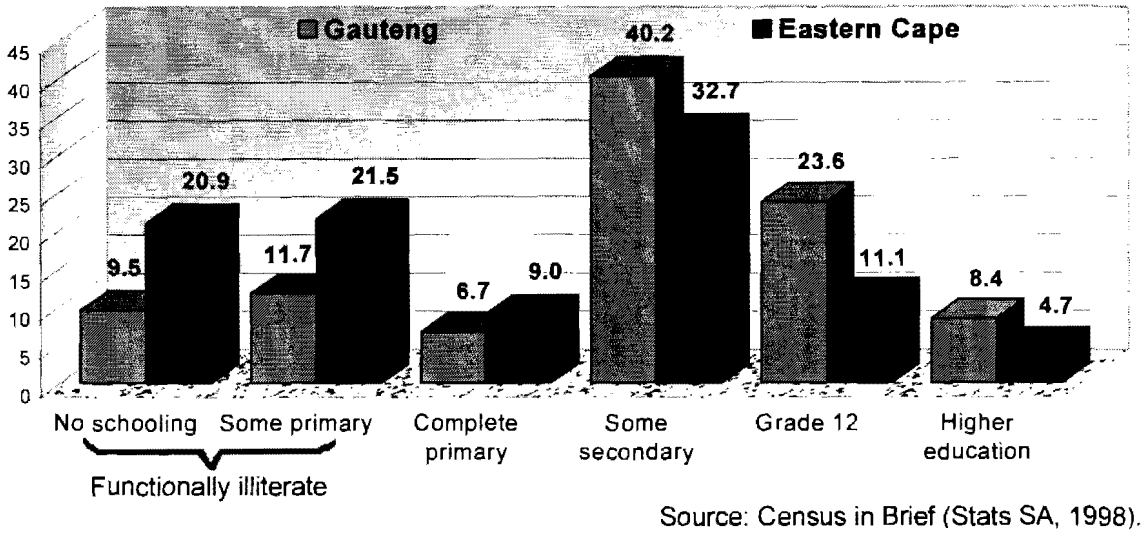
Source: Calculated from Census '96 dataset (Stats SA, 1999).

Declining fertility and the HIV/AIDS epidemic will impact on the age structure of the population. If similar growth rates – as forecast for South Africa in Paragraph 3.4 – are applied to the Gauteng and Eastern Cape populations, the total population in Gauteng could grow from 7,3 million to 9,1 million instead of 13,8 million people over the next two decades, with the Eastern Cape's population growing from 6,3 million to 7,8 million (instead of 11,8 million people).

4.2.2 EDUCATIONAL PROFILE

A smaller proportion (9,5%) of the population aged 20 years or older in Gauteng, than those in the Eastern Cape (20,9%), had not attended school. Almost a quarter (21,2%) of the population in Gauteng and almost half (42,4%) of the population in the Eastern Cape could be considered functionally illiterate as they had not had at least six years of formal schooling at the time of the population census in 1996 (Figure 4.1).

Figure 4.1: Percentage of the population aged 20 years and older, by highest level of education completed (October 1996)



Source: Census in Brief (Stats SA, 1998).

In Gauteng, 40,2% of the population who were 20 years and older in 1996 had obtained some secondary education, while 23,6% had a Grade 12 and 8,4% a postschool qualification. In contrast, only 11,1% of the population who were 20 years and older in 1996, in the Eastern Cape, had obtained Grade 12, while only 4,7% had a postschool qualification (Figure 4.1).

4.2.3 LABOUR FORCE

Gauteng had a higher labour participation rate than the Eastern Cape. Fewer people of working age[1] in Gauteng (an estimated 1,5 million people or 30,0%) than in the Eastern Cape (1,9 million people or 55,1%) were considered not to have been economically active[2] at the time of Census '96 (Table 4.3). The economically active population in Gauteng consisted of 3,6 million people, of whom 2,6 million (71,8%) were employed, while in the Eastern Cape 798 252 (51,6%) out of 1,5 million economically active people managed to find a job. The unemployment rate in the Eastern Cape was at 48,4% almost double the unemployment rate of 28,2% in Gauteng.

TABLE 4.3: LABOUR FORCE INDICATORS OF GAUTENG AND THE EASTERN CAPE, 1996

Potential labour force	Gauteng	Eastern Cape
People of working age (15-64)	5 million	3.4 million
People not economically active	1.5 million (30.0%)	1.9 million (55.1%)
Economically active population	3.6 million (70.0%)	1.5 million (44.9%)
Employed	2.6 million (71.8%)	0.8 million (51.6%)
Unemployed (rate)	1 million (28.2%)	0.7 million (48.4%)

Source: Calculated from Census '96 dataset (Stats SA, 1999).

At the time of Census '96, unemployment was high among the youth. Almost two-thirds (61%) of the economically active youth aged 15-19 years, in Gauteng, could not find a job. Almost half (49%) of those in the age group 20-24 years were unemployed, while more than a third (37%) of those aged 25-29 could not find a job. The Eastern Cape portrays an even bleaker picture. An estimated total of 386 941 economically active young people between 15 and 29 years were unemployed, accounting for more than half (51,6%) of all the unemployed people in the Eastern Cape. The majority (88,8%) of the economically active youth aged 15-19 years could not find a job. More than two-thirds (69,1%) of the economically active people in the age group 20-24 years were unemployed, while more than half (57,3%) of the economically active people aged 25-29 could not find a job.

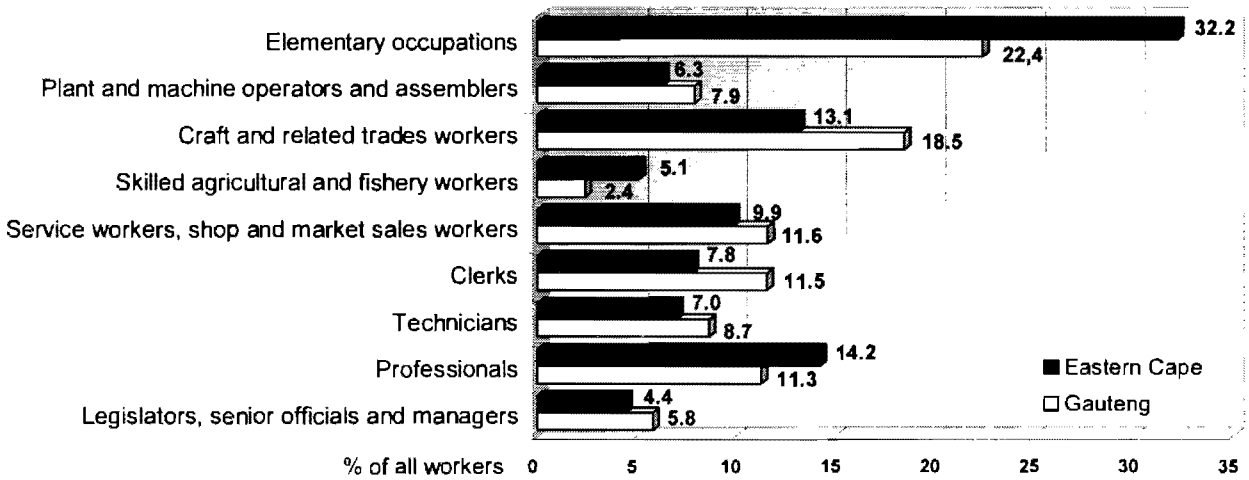
[1] The potential labour force.

[2] Housewives/homemakers, scholars/full-time students, pensioners/retired people, disabled persons and people not wishing to work.

4.2.4 WORKERS

Low educational levels impact negatively on the employability of the labour force, and the differences in the skills levels of Gauteng and the Eastern Cape become apparent when comparisons are drawn between the occupational profiles of the two provinces (Figure 4.2). Almost a quarter (22,4%) of the workforce in Gauteng was employed in elementary occupations in 1996, while almost a third (32,2%) of the labour force in the Eastern Cape was working in elementary occupations (Figure 4.2). Thus corroborating the view that 21,2% of the labour force in Gauteng and 42,4% in the Eastern Cape could be considered functionally illiterate (Paragraph 4.2.2, Figure 4.1).

Figure 4.2: Employed, by occupational category, 1996



Source: Census in Brief (Stats SA, 1998).

4.3 ECONOMIC PROFILE OF GAUTENG AND THE EASTERN CAPE

In 1996,Gauteng ranked first as a contributor to the total wealth created in South Africa. The province also employed almost a third (28,1%) of all the workers in the country. According to WEFA SA (1996:14), Gauteng was the most developed and sophisticated of all the provinces in South Africa. Its manufacturing sector was not only the most diversified, but also dominated industrial production in the country (DBSA, 1998:10). At the time, the Eastern Cape consisted of relatively developed manufacturing centres and underdeveloped rural areas. The community and social services sector provided most of the employment opportunities in the province. Manufacturing together with wholesale and retail trade, and catering and accommodation services, were the main wealth creation activities in the province but they were concentrated in Port Elizabeth and East London where the motor vehicle and components industries predominated (Erasmus, 1998:10).

4.3.1 MAIN ECONOMIC ACTIVITIES

In terms of private economic output in Gauteng, manufacturing in 1996 contributed 27,1% to gross geographic product per capita (GGP), followed by trade (19,7%) and finance (11,5%). The province's relatively developed economy – six of the nine economic sectors in the province accounted for more than 30% of the total production of all the sectors in South Africa – and diversified industrial base made it less vulnerable to *inter alia* world commodity prices and climatic conditions (DBSA, 1998:74). The province accordingly acted as a magnet to people from other provinces and neighbouring states seeking employment (WEFA SA, 1996:14).

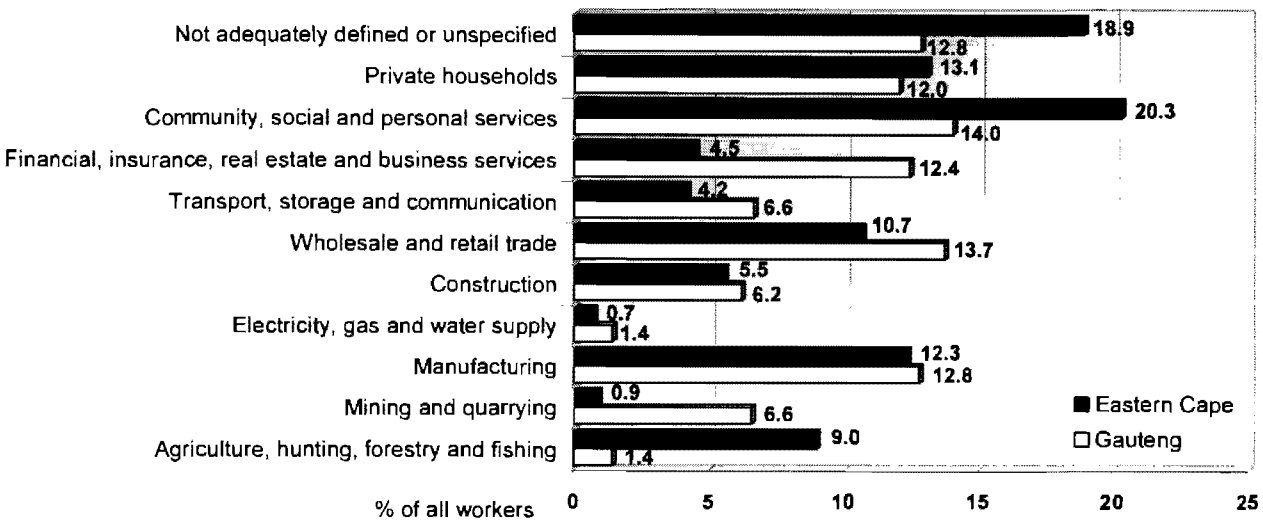
Although basically factor-driven, the Eastern Cape has scope for investment-driven development (WEFA SA, 1996:12). There is potential for expanding the commerce sector by developing eco-tourism, particularly in the coastal areas. In 1996, the community and social services sector in the Eastern Cape contributed most in terms of gross geographic product per capita (GGP) as well as employment opportunities. Although manufacturing was second in respect of contribution to the GGP in the Eastern Cape, it was only fourth in terms of providing employment. The retail trade sector was second in providing employment opportunities, but third in GGP contribution. The finance sector was placed fourth in wealth creation, but occupied only sixth place in providing employment opportunities. Because a large proportion of the rural population was engaged in subsistence farming at the time, agriculture was high in terms of employment provision, although it did not contribute much to the GGP in the private economy of the province.

4.3.2 EMPLOYMENT TRENDS

Most of the job opportunities in both provinces were to be found in the community, social and personal services sector in 1996 (Figure 4.3). The second largest employer in Gauteng was the wholesale and retail trade, and catering and accommodation services sector, followed by the manufacturing sector and by finance, insurance, real estate and business services. In the Eastern Cape the manufacturing sector was the second largest employer, followed by the wholesale and retail, trade and catering and accommodation services sector and by agriculture, hunting, forestry and fishing. Collectively the four sectors in the respective provinces provided jobs for more than two-thirds of the labour force in each province.

Formal employment growth in the private economy of Gauteng started declining from 1,9% during the period 1970-1980 to -0,3% during 1980-1990 and, from figures currently available, employment growth was also negative in the 1990s – -2,5% from 1990-1995 (WEFA SA, 1996:P27). Formal employment growth in the private economy of the Eastern Cape started declining from 0,9% during the period 1970-1980, to 0,5% from 1980-1990, and was negative in the 1990s – -6,3% from 1990-1995 (WEFA SA, 1996:P1).

Figure 4.3: Percentage of the employed aged 15-65, by economic sector, 1996



Source: Census in Brief (Stats SA, 1998).

The services sector was the second largest employer in Gauteng in 1996 and the largest sector in the Eastern Cape. It is, however, also the sector that will shed the largest number of jobs in the future (Whiteford *et al.*, 1999:25). Total employment in this sector is likely to decrease as a result of the commitment of government to downsize the civil service. Job losses, due to transformation and rationalisation processes, are currently taking place in, for example, the National Defence Force and Transnet (Paragraph 3.3). Temkin (2001:4) reports that public sector restructuring was a major contributor in job losses in 2000. Furthermore, it is expected that the public sector will shed a further 4% of its employee base in 2001.

The demand for labour is based on the economic activity of a country/province/region. Gauteng is increasingly becoming more investment- and innovation-driven, while the Eastern Cape's economy is entering the investment-driven phase, where the focus is on expanding the manufacturing and services sector and becoming less dependent on primary sector production structures (e.g. mining and agriculture).

No detailed forecasts of labour demand on a provincial or regional level are currently available in South Africa. The HSRC, however, recently conducted a study on South African labour market trends and workforce needs with respect to formal employment for the period 1998-2003 (Paragraph 3.4.3). Although the study portrays a national outlook, the participating organisations (in eight of the broad sectors, excluding the agricultural sector) represent industries in the different provinces and regions. It is therefore reasonable to assume that certain national trends will be reflected on a provincial or even regional level. Provincial development plans and investment procurement initiatives are a further source of information on job creation possibilities in the provinces.

4.3.3 QUEST FOR JOB CREATION IN GAUTENG AND THE EASTERN CAPE

Employment in the private economy of Gauteng has shown a steady decline since 1980, with a decrease in the labour absorption capacity of the province (from 84,2% in 1980 to 62,7% in 1991 (DBSA, 1998:57; Meintjes *et al.*, 1995a:4). Entrants to the labour market in Gauteng have to compete with a fairly well-educated labour force. In addition, in two of the top four sectors contributing to employment opportunities in the province, a decrease in the demand for labour is expected over the next three years (Paragraph 3.4.3 and Paragraph 3.4.4).

Although the Eastern Cape experienced economic growth, employment in the private economy of the province showed a steady decline between 1985 and 1996, with a dramatic increase in unemployment (from 13,8% to 48,5%) (CIMEC, 2000:2; Erasmus, 1998:46-53; Meintjes *et al.*, 1995a:4). The decreasing ability of the economy to absorb sufficient labour can be ascribed largely to the following factors:

- High population growth rates.
- The relatively young age structure of the population (as the substantial group of under-15s matures, a large number of young people enter the labour market annually).
- An oversupply of unskilled workers.
- The economy has become increasingly less labour intensive, due to the shift to capital-intensive production processes. The sectors most affected are agriculture, manufacturing, transport, and community and social services.
- The relative importance of agriculture, commerce and transport as employment creators in the province has decreased, while manufacturing and community services have played progressively larger roles. Although manufacturing is one of the dominant sectors of the economy, it is highly capital-intensive.

According to Meintjes *et al.* (1995b:14), the increasing dependence on the central government as contributor to economic production is indicative of structural problems in the economy of the Eastern Cape. However, although the instability in the province is cause for concern, there is hope for economic growth among business and political leaders. This is largely because the central government is engaged in efforts to kick-start the economy (Southey *et al.*, 1998). Several programmes have been devised to attract investment in tourism and industry, and infrastructural projects are being implemented, such as the Coega deepwater harbour and the West Bank industrial development zone in East London as part of the government's spatial development initiative (SDI).

Spatial development initiatives (SDIs), or development corridors, could open up opportunities for jobs and small businesses. As one of the key investment strategies of the South African government, the SDIs aim to unlock inherent economic potential in specific Southern African

locations by enhancing their attractiveness for investment (Paragraph 3.8.2.6). It is hoped that the SDIs will facilitate the creation of viable new jobs. However, Driver (1998:803) warns the impact on overall unemployment levels will be relatively small.

According to the Eastern Cape's Economic Affairs and Finance MEC, Enoch Godongwana, Wild Coast tourism will benefit from the new tourism ethos that emphasises service excellence and high standards (Southey *et al.*, 1998:105). The allocation of casino licences should also lead to increased revenue as well as major infrastructural developments. The private sector, too, is beginning to feel optimistic about low input costs such as transport, land and electricity; extensive untapped capacity in the labour force; low wages; relatively stable labour relations and the low incidence of crime (CIMEC, 2000:3-4). Confidence in the local business community is thus growing.

Agriculture should be given more attention, as the Eastern Cape has several rich (although small) agricultural areas that are not being farmed optimally. About 7% of the provincial land is cultivable, and about 45% of this limited arable land is not currently farmed due to unresolved landownership problems in the former homelands (Transkei and Ciskei) (CIMEC, 2000:5). Maize, sugar cane and other crops could be grown successfully in for example the former Transkei. Farming co-operatives and agri-businesses have done well in other areas of the country, but the Eastern Cape has lagged behind. Such development in this province could create jobs (Southey *et al.*, 1998:107).

The manufacturing potential of the province depends on the revitalisation of large-scale industry, with linkages to small, medium and micro-enterprises in various specialist areas. But it will still take some time before the province emerges from a situation of high joblessness (WEFA SA, 1996:12).

The vision for the Gauteng SDI is the development of the province into a 'smart' hub with specific emphasis on innovation and quality business and financial services, as well as on value-added higher technology manufacturing. The province has a broad strategy to encourage the growth of trade and industry. It has committed R1,2 billion to a programme specially designed to build a platform for business expansion in the future (SDI, 2000).

4.4 REGIONAL ANALYSIS

The Development Bank of Southern Africa's demarcation of the province into regions is used to highlight the labour market in the different regions of the two provinces and to point out different stages of economic development (DBSA, 1998:13). Gauteng has been divided into five regions (Annexure C). At the time of Census '96, the population of the province was unevenly distributed among the five regions, with half (50,1%) of the Gauteng residents

residing in Greater Johannesburg (the smallest region) and in the Greater East Rand region. A further 18,7% of the Gauteng population lived in Greater Pretoria (the largest region in terms of surface area), and 20,3% on the West Rand and in the Vaal region (Table 4.4). Gauteng's job opportunities are mainly in the Greater Johannesburg, East Rand and Pretoria regions. The Greater Pretoria region had a below national average unemployment rate (20,3%), with the highest unemployment in Gauteng in the Vaal region (37,7%).

TABLE 4.4: POPULATION AND EMPLOYMENT DISTRIBUTION IN GAUTENG REGIONS

	Pretoria		Johannesburg		East Rand		West Rand		Vaal	
	Total	%	Total	%	Total	%	Total	%	Total	%
Population	1 372 997	18.7	2 306 781	31.4	2 173 934	29.6	668 648	9.1	826 065	11.2
Employment share	513 713	19.8	850 011	32.8	709 084	27.4	295 402	11.4	222 909	8.6
Unemployment (rate)	130 965	20.3	323 574	27.6	342 153	32.5	81 068	21.5	135 097	37.7

Source: Calculated from Census '96 dataset (Stats SA, 1999).

The Eastern Cape has also been divided into five regions (Appendix B) (Erasmus, 1998:17). The population of the province was unevenly distributed among the five regions at the time of the census, with 19,5% of the population residing in Region 1, 27,8% in Region 2, 11,9% in Region 3, 19,5% in Region 4 and 21,3% in the northern districts (Region 5). Regions 1 and 2 (with Port Elizabeth and East London the nodal points) provided almost three-quarters (71%) of the formal employment opportunities in the Eastern Cape (Table 4.5). With the provincial unemployment rate at 48,5%, Region 1 had the lowest unemployment (34,3%) of all the regions in the Eastern Cape. The unemployment rate in Region 5 was the highest at 71,2%.

TABLE 4.5: POPULATION AND EMPLOYMENT DISTRIBUTION IN THE EASTERN CAPE

	Region 1		Region 2		Region 3		Region 4		Region 5	
	Total	%	Total	%	Total	%	Total	%	Total	%
Population	1 228 314	19.5	1 751 796	27.8	752 606	11.9	1 227 396	19.5	1 342 412	21.3
Employment share	909 686	38.8	257 115	32.2	82 249	10.3	87 424	11.0	61 778	7.7
Unemployment (rate)	161 376	34.3	224 460	46.6	78 496	48.8	133 394	60.4	152 515	71.2

Source: Calculated from Census '96 dataset (Stats SA, 1999).

4.4.1 GAUTENG'S MAIN ECONOMIC SECTORS

In 1996, the Greater Pretoria region's comparative advantages were in services, agriculture and transport (Table 4.6). The economy in the region was highly capital intensive at the time of the census. The Greater Johannesburg region had comparative advantages in finance, commerce, energy and construction. The regional economy was less labour intensive than the provincial average (DBSA, 1998:74-75).

The Greater East Rand and Vaal regions were the strongholds of manufacturing in Gauteng in 1996. The Greater East Rand region had comparative advantages in the manufacturing, construction and transport sectors, while the Vaal region's comparative advantage were in the manufacturing, electricity and agriculture sectors (DBSA, 1998:75-76). The economy in both regions was more labour intensive than that of the province as a whole. The West Rand region accounted for 85,7% of the total mining production in Gauteng in 1994. The contribution of the West Rand region's agricultural sector to the province was the largest of all the regions. Due to its factor-driven character (mining and agriculture), the West Rand's economy was more labour intensive than that of the province as a whole (DBSA, 1998:76).

TABLE 4.6: DOMINANT SECTORS IN GAUTENG REGIONS

Pretoria		Johannesburg		East Rand		West Rand		Vaal	
Sector	**%**	**Sector**	**%**	**Sector**	**%**	**Sector**	**%**	**Sector**	**%**
Services[1]	41	Services[1]	33	Services[1]	28	Mining	48	Services[1]	33
Finance	16	Trade	18	Manufacturing	20	Services[1]	18	Manufacturing	23
Trade	15	Finance	18	Trade	16	Trade	8	Trade	14
Manufacturing	10	Manufacturing	13	Finance	12	Manufacturing	7	Finance	9
Transport	7	Construction	7	Transport	10	Finance	6	Construction	8
Construction	6	Transport	7	Construction	8	Construction	4	Transport	7
Agriculture	2	Electricity	2	Mining	3	Transport	4	Electricity	3
Electricity	1	Mining	1	Electricity	2	Agriculture	3	Agriculture	2
Mining	1	Agriculture	1	Agriculture	1	Electricity	1	Mining	1

[1]Includes: Community, social and personal services (public sector and private households).
Source: Calculated from Census '96 dataset (Stats SA, 1999).

4.4.2 THE EASTERN CAPE'S MAIN ECONOMIC ACTIVITIES

The community, social and personal services sector was the largest employer in all five regions in the Eastern Cape in 1996 (Table 4.7). In Regions 1 and 2 the manufacturing sector was the largest private sector employer, involving 20% of the formally employed workers in Region 1 and 16% of the workers in Region 2. In both regions the trade sector was the second largest private sector employer (13% each), with the agricultural sector coming third, employing 11% of the workers in Region 1 and 9% of the workers in Region 2 (Table 4.7).

In Region 1 the economy was highly capital intensive (even in the agricultural sector) at the time of the census, while the economy in Region 2 was more labour intensive than that of the province as a whole (with services, manufacturing, trade and agriculture employing relatively more people) (Erasmus, 1998:51). Almost half (49%) of all the workers in Region 3 were employed in government and related community services. A further 19% were employed in agriculture (proportionally the highest in the province) and 11% in trade (Table 4.7).

TABLE 4.7: DOMINANT SECTORS IN THE EASTERN CAPE REGIONS

Region 1		Region 2		Region 3		Region 4		Region 5	
Sector	**%**	**Sector**	**%**	**Sector**	**%**	**Sector**	**%**	**Sector**	**%**
Services	35	Services	44	Services	49	Services	58	Services	55
Manufacturing	20	Manufacturing	16	Agriculture	19	Trade	11	Trade	13
Trade	13	Trade	13	Trade	11	Agriculture	8	Agriculture	9
Agriculture	11	Agriculture	9	Construction	7	Construction	6	Manufacturing	6
Finance	7	Construction	7	Manufacturing	5	Manufacturing	5	Construction	6
Construction	7	Finance	5	Transport	4	Finance	4	Mining	5
Transport	6	Transport	5	Finance	3	Transport	4	Transport	4
Electricity	1	Electricity	1	Electricity	1	Mining	3	Finance	2
Mining	<1	Mining	<1	Mining	<1	Electricity	1	Electricity	<1

Source: Calculated from Census '96 dataset (Stats SA, 1999).

Apart from being highly dependent on the community and social services sector for employment, Regions 4 and 5 also relied on the trade and agricultural sectors to provide jobs. In 1996, almost two-thirds (58%) of all the workers in Region 4 were employed in community service, 11% in trade and 8% in agriculture. Similarly, more than half (55%) of all the workers in Region 5 were employed in community service, 13% in trade and 9% in agriculture. Although Region 5 had the second largest share of the Eastern Cape population, only a quarter of all economically active people in the region were formally employed. It was the region with the highest unemployment rate (76%) in the Eastern Cape.

4.4.3 HUMAN CAPITAL IN GAUTENG

There is a strong correlation between the major economic activities per region and the distribution of occupations. For example, due to mining activities the West Rand had more craft and related trade workers, and plant and machine operators and assemblers than the other regions of Gauteng in 1996 (Table 4.8).

TABLE 4.8: EMPLOYMENT DISTRIBUTION, BY OCCUPATION IN GAUTENG REGIONS, 1996

Broad occupational group	Pretoria	Johan-nesburg	East Rand	West Rand	Vaal
Legislators, senior officials and managers	6.8%	6.9%	5.3%	2.8%	3.2%
Professionals	15.6%	12.1%	9.2%	6.9%	8.9%
Technicians and associated professionals	10.4%	9.5%	8.0%	4.8%	6.4%
Clerks	13.5%	12.2%	11.0%	6.9%	8.4%
Service workers, shop and market sales workers	12.2%	12.7%	10.8%	8.1%	10.6%
Skilled agricultural and fishery workers	3.0%	1.9%	1.8%	2.9%	3.6%
Craft and related trade workers	12.8%	15.6%	18.3%	32.3%	19.9%
Plant and machine operators and assemblers	5.8%	7.6%	13.3%	15.4%	12.5%
Elementary occupations	20.0%	21.5%	22.3%	19.9%	26.6%

Source: Calculated from Census '96 dataset (Stats SA, 1999).

With the Greater Pretoria and Johannesburg regions the trade and finance capitals – and hosting all the government departments – almost half of the labour force in the two regions (46,3% in Pretoria and 40,7% in Johannesburg) was employed in managerial, professional and administrative positions at the time of the census.

There is also a strong correlation between the employability of workers and their educational levels. Of the total labour force of Gauteng, 21,2% can be considered functionally illiterate (Table 4.9). The low levels of education manifested in the fact that between 20% (Greater Pretoria and West Rand) and 27% (Vaal region) of all the workers in Gauteng were employed in elementary occupations (Table 4.8). Since most of the uneducated workers were concentrated in the mining and industrial areas, the West Rand region had the largest proportion of workers with less than a secondary level education (37%). The Vaal region followed with 32% who had less than a secondary level education, and the Greater East Rand region with 30% (Table 4.9).

Workers who had completed at least primary education (and had some secondary education) were evenly spread throughout the province in 1996, with percentages ranging from 43% in the Vaal region to 33% in Greater Pretoria. The Greater Pretoria region attracted the largest proportion of people with higher levels of education – 30% of the labour force in the region had passed Grade 12 and a further 15% had a postschool qualification. The Greater Johannesburg region followed with 26% and 9% respectively (Table 4.9).

TABLE 4.9: LEVEL OF EDUCATION OF THE LABOUR FORCE (20-64) IN GAUTENG, BY REGION, 1996

	Pretoria		Johannesburg		East Rand		West Rand		Vaal	
	Total	%	Total	%	Total	%	Total	%	Total	%
Higher education	114 703	14.8	124 530	9.3	74 039	6.0	16 797	4.6	23 248	5.2
Grade 12	230 455	29.7	345 392	25.8	271 584	22.0	66 790	18.1	85 858	19.3
Some secondary	259 298	33.5	563 371	42.1	522 810	42.4	146 852	39.9	192 311	43.2
Completed primary	42 134	5.4	87 649	6.6	90 943	7.4	30 040	8.2	32 753	7.4
Some primary	70 750	9.1	130 218	9.7	155 102	12.6	64 404	17.5	63 214	14.2
None	57 790	7.5	86 117	6.4	117 318	9.5	43 188	11.7	47 990	10.8
Total	775 130	100	1 337 277	100	1 231 796	100	368 071	100	445 374	100

Source: Calculated from Census '96 dataset (Stats SA, 1999).

The public sector in Greater Pretoria and Greater Johannesburg (especially the educational, and the health and welfare services sectors) employed proportionally more workers with tertiary qualifications (e.g. educators, welfare officers, health personnel) than any other sector of the economy in these regions in 1996. The high incidence of professional, managerial and administrative workers in these regions – 33% and 31% of the workforce, respectively – can be ascribed to the fact that the community, social and personal services sector employed the bulk of the workers in the two regions (Table 4.8). A further 25% of the workers in the regions were

employed as clerks, as service workers, and as shop and market sales workers, while between 19% and 23% were employed in artisan-related occupations.

Clearly the strongholds of manufacturing in Gauteng, the Greater East Rand and Vaal regions had similar occupational profiles. Almost a third of the workers in these regions worked in artisan-related occupations – craft and related trade workers (18% and 20% respectively), and plant and machine operators and assemblers (13% and 12% respectively). A further 18%-20% of the workers in these regions were employed as legislators, as senior officials and managers, as professionals and as technicians and associated professionals. Clerical, sales and service workers made up 22% of the workers in the Greater East Rand region and 19% of the workers in the Vaal region.

The West Rand region had the province's highest proportion of craft and related trade workers (32%), as well as plant and machine operators and assemblers (15%) in 1996 (Table 4.8). Mining operations provided employment opportunities for craft and related trade workers, and machine operators and assemblers. A further 15% of the workers in the two regions were employed as clerks, as service workers, and as shop and market sales workers, while 15% were employed in professional, managerial and administrative occupations.[3]

4.4.4 HUMAN CAPITAL IN THE EASTERN CAPE

In 1996, Regions 1 and 2 in the Eastern Cape had proportionally more production workers, while Region 3 had the most skilled agricultural workers. In Region 1, 23% of the workers were employed as craft and related trade workers, and as plant and machine operators and assemblers, while 18% were in clerical, sales and service occupations. Region 2 had the second highest number (22%) of craft and related trade workers, and plant and machine operators and assemblers working in the region. A further 18% of the workers were employed as clerks, as service workers, and as shop and market sales workers.

Region 3 had the most skilled agricultural workers (9%) of the five regions in the Eastern Cape at the time of the census. A further 15% of the workers were employed as craft and related trade workers and as operators and assemblers, and a further 14% as clerks, sales and service workers. Region 4 and Region 5 had more professional, managerial and administrative workers[3] (28% and 31% respectively) than the other regions in the Eastern Cape, while in both regions 18% of the workers were employed as craft and trade workers and as operators and assemblers. A further 14% worked as clerks, sales and service workers (Table 4.10).

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[3] Including legislators, senior officials and managers, professionals, and technicians and associated professionals.

TABLE 4.10: EMPLOYMENT DISTRIBUTION, BY OCCUPATION IN EASTERN CAPE REGIONS, 1996

Broad occupational group	Region 1	Region 2	Region 3	Region 4	Region 5
Legislators, senior officials and managers	5.6%	4.1%	3.2%	2.9%	2.9%
Professionals	10.5%	14.3%	15.9%	18.5%	22.6%
Technicians and associated professionals	8.1%	7.3%	4.7%	6.0%	5.0%
Clerks	9.1%	7.6%	5.4%	7.2%	4.0%
Service workers, shop and market sales workers	9.4%	9.9%	8.9%	11.3%	10.4%
Skilled agricultural and fishery workers	5.0%	4.5%	8.6%	4.3%	4.6%
Craft and related trade workers	13.8%	13.6%	10.7%	11.6%	11.7%
Plant and machine operators and assemblers	8.8%	7.7%	4.4%	5.4%	5.7%
Elementary occupations	29.6%	31.1%	38.0%	32.9%	33.0%

Source: Calculated from Census '96 dataset (Stats SA, 1999).

The public sector (especially education and the health and welfare services subsectors) employed proportionally more workers with tertiary qualifications (e.g. teachers, welfare officers, health personnel) than any other sector of the economy. According to CIMAC (2000), this sector was dominated by the provision of public services such as education and health in 1996. The high incidence of professional, managerial and administrative workers in the Eastern Cape – ranging from 25% of the workers in Region 1 to 31% in Region 5 – is therefore attributable to the fact that the community and social services sector employed the bulk of the workers in the province (Table 4.10). The provision of continually improving educational services is a necessary condition for future economic growth in the province. There is also a need to integrate tertiary education and industry more effectively.

The vast differences in educational attainment between Gauteng and the Eastern Cape were pointed out in Paragraph 4.2.2 (Figure 4.1). Almost half of the total labour force of the Eastern Cape can be considered functionally illiterate (as apposed to less than a quarter in Gauteng). In the Eastern Cape, Region 1 in 1996 had the most workers with matriculation and higher (25% of the labour force); in Gauteng this honour fell to the Greater Pretoria Region (at 45% the region in Gauteng with the best qualified labour force). Region 5, in the Eastern Cape, had the largest proportion of workers who had not at least completed their primary school education (52%). Region 4 followed with 50% who had not undergone any schooling or obtained some primary school education. Region 3 was next with 44%, Region 2 with 33% and Region 1 with 26% (Table 4.11). The low levels of education explains the high incidence of workers employed in elementary occupations (between 29% and 38% of the workers in the different regions) (Table 4.10).

The percentages of workers who had completed at least primary education (and had some secondary education), ranged from 51% in Region 1 to 37% in Region 4. Region 1 attracted the largest proportion of people with higher levels of education – 17% of the labour force in the

region had passed Grade 12 and a further 7% had a postschool qualification. Region 2 followed with 14% and 6% respectively (Table 4.11).

TABLE 4.11: LEVEL OF EDUCATION OF THE LABOUR FORCE (20-64) IN THE EASTERN CAPE REGIONS, 1996

	Region 1		Region 2		Region 3		Region 4		Region 5	
	Total	%	Total	%	Total	%	Total	%	Total	%
Higher education	46 511	7.2	44 816	5.8	13 465	4.6	16 215	3.7	11 701	2.6
Grade 12	113 379	17.4	105 668	13.7	29 870	10.3	39 347	9.1	27 958	6.1
Some secondary	272 080	41.9	281 793	36.5	92 112	31.7	128 204	29.6	134 226	29.5
Completed primary	62 489	9.6	79 534	10.3	26 383	9.1	34 186	7.9	41 914	9.2
Some primary	108 460	16.7	152 585	19.8	72 593	25.0	95 349	22.0	134 957	29.6
None	47 055	7.2	106 918	13.9	56 140	19.3	119 455	27.6	104 431	22.9
Total	649 974	100	771 314	100	290 563	100	432 756	100	455 187	100

Source: Calculated from Census '96 dataset (Stats SA, 1999).

The fact that only a small proportion of workers in the Eastern Cape can be considered highly educated (e.g. only 2,6% of the labour force in Region 5 obtained tertiary education, with the highest at 7,2% in Region 1 – see Table 4.11) and the fact that the community, social and personal services sector was the largest employer in all five regions (e.g. employing 35% of all the workers in Region 1 increasing to 58% of all workers in Region 4 – see Table 4.7) in 1996, places a question mark against the efficiency of the state administration system. According to Ashton and Green (1996:155), an efficient system of bureaucratic administration, staffed by technically competent officials, is needed to ensure that the political and industrial policies of government can be implemented relatively free of corruption (Paragraph 2.5.3). The Eastern Cape's reputation in some quarters as the province with the most corruption in South Africa can be attributed largely to maladministration (Anon., 1997:12).

According to Møller (1998:33), the former Ciskei (Region 4) may have lost some R7 million a month due to fraudulent pension payouts to 2 148 non-existing ('ghost') pensioners and to 4 804 deceased pensioners. Public servants often submit falsified academic qualifications resulting in incidents where inappropriately qualified people are appointed in senior managerial positions (Xako, 2000:3). This is not to say that less well educated people are not also capable of acts of fraud. It does, however, appear as if higher educated public servants are more aware and critical of corruption (Xako, 2000:3).

Throughout the country, there is consensus that provincial spending and fiscal mismanagement cannot be allowed to continue (Chalmers & Coutis, 1998:5). Before the 1999 election some high-ranking ANC officials advocated the abolition of the provincial system, saying it leads to a bloated bureaucracy and jeopardises the country's fiscal targets. Addressing a media briefing before the province's anti-corruption summit held in November 1999, the provincial deputy director-general said concerted efforts had been made to curb

corruption in fields such as cheque fraud, pensions, and the theft and abuse of government property (Sapa, 1999b:8).

4.5 SKILLS FORMATION IN THE TWO PROVINCES

During 1996 1,4 million children were enrolled in 2 173 schools in Gauteng (averaging 655 children per school) (RIEP, 1997:10). In the Eastern Cape 2,3 million children were enrolled in 5 853 schools (400 children per school) (RIEP, 1997:10). The lower average number of children per school in the Eastern Cape may by attributable to the mainly rural character of the province. Few schools in Gauteng were found to be unsuitable for teaching at the time of the School Register of Needs Survey conducted by the HSRC in 1996 (Hartley *et al.*, 1998a:22) as opposed to the Eastern Cape where a considerable number of schools in especially Regions 4 and 5 (former Ciskei and Transkei) were in a poor and very poor condition (Hartley *et al.*, 1998b:21).

The lack of electricity at schools implies that classrooms and other instructional areas are sometimes dark and reading becomes difficult. It also means that no electrical appliances can be used (e.g. in laboratories, cookery centres and workshops). Teaching aids and equipment such as television sets, overhead projectors and computers can also not be used. Less than 50% of all the schools in the Eastern Cape had access to electricity in 1996. The majority of the schools in Regions 4 and 5 had no electricity (Hartley *et al.*, 1998b:22). Generally, schools in Gauteng were better off, especially in the Greater Johannesburg and Pretoria regions (Hartley *et al.*, 1998b:23).

According to Hartley *et al.* (1998a:21), the learner:educator ratios were very favourable in Gauteng. It was only in the Greater East Rand (e.g. Vanderbijlpark, Heidelberg, Nigel and Brakpan) where the learner:educator ratio exceeded 30:1. For the rest of Gauteng this ratio was between 26 and 30, with the schools in the more densely populated (and possibly more affluent) regions having a ratio below 25:1 (e.g. Greater Johannesburg and Pretoria). However, huge disparities remained in the Eastern Cape. Most schools in Regions 1 to 3 had a learner:educator ratio of not more than 30:1. In Regions 4 and 5 this ratio was between 30 and 40, with the majority of schools in Region 5 having a ratio above 40:1 (Hartley *et al.*, 1998b:21).

The state of schools, access to services such as electricity and the learner:educator ratio have an impact on the quality of education. This becomes apparent when achievement in mathematics and science and the matriculation results of the two provinces are compared. The Grade 8 results for the Eastern Cape were below the national average in mathematics and science during the Third International Mathematics and Science Study (TIMSS) conducted in

1995 (Hartley *et al.*, 1998b:25-28). Gauteng, on the other hand, registered an above national average score in these two subjects (Hartley *et al.*, 1998a:25-28).

Gauteng came fifth and the Eastern Cape seventh in the overall matriculation examination pass rate of the provinces in South Africa (Hartley *et al.*, 1998a & b:44). More learners who sat the matriculation examination in Gauteng passed (57,8%) than in the Eastern Cape (48,9%) in 1996. Closer examination reveals that the Gauteng learners also fared considerably better than their Eastern Cape counterparts in English, mathematics, physical science and biology.

Gauteng has a wealth of educational institutions to meet the postschool educational needs of the population. There are six universities, six technikons, 32 technical colleges, 12 nursing colleges and 15 teacher-training institutions in the province. The Eastern Cape has four universities, four technikons, 26 technical colleges, seven nursing colleges and 18 teacher-training institutions (Du Toit & Craemer, 1999). According to the South African Training and Capacity-Building Providers Database at the HSRC, a number of organisations in the two provinces (NGOs, CBOs, private companies, public and university departments) provide training in a wide variety of courses.

The youth in the two provinces are keen to obtain educational qualifications. In Gauteng the majority (74,8%) in the age category 15-19 years were enrolled as scholars/students during October 1996 (Table 4.12). This percentage declines in the age categories 20-24 years (23,5%) and 25-29 years (4,5%) as people enter the labour market. Similarly, in the Eastern Cape the majority (78,2%) in the age category 15-19 years were enrolled as scholars/students during October 1996 (Table 4.12), with declining percentages in the age categories 20-24 years (40,4%) and 25-29 years (11,4%).

TABLE 4.12: PROPORTION OF STUDENTS AMONG THE YOUTH IN GAUTENG AND THE EASTERN CAPE, 1996

Gauteng			Eastern Cape		
Age category	**Total**	**%**	**Age category**	**Total**	**%**
Students	433 697	74.8	Students	572 471	78.2
All 15-19[1]	580 093	26.4	All 15-19[1]	731 843	43.3
Students	185 390	23.5	Students	221 426	40.4
All 20-24[1]	789 289	35.9	All 20-24[1]	548 216	32.5
Students	37 320	4.5	Students	46 538	11.4
All 25-29[1]	829 659	37.7	All 25-29[1]	408 715	24.2
Students	656 407	29.8	Students	840 435	49.8
All 15-29	2 199 041	100	All 15-29	1688 774	100

[1] The percentage cell in this row represents the proportion of the age category in relation to the total youth population.

Source: Calculated from Census '96 dataset (Stats SA, 1999).

The question that arises is how many of those who enter the labour market can be accommodated in the formal economy. It was stated earlier (Paragraph 3.4.2) that unemployment is high among the youth in the country. At the time of Census '96 an estimated total of 554 961 economically active young people in Gauteng between 15-29 years were unemployed, accounting for more than half (55,5%) of the unemployed in the province (Table 4.13). The unemployment figure for the economically active youth varied considerably between the five regions, with the youth in the Vaal, Greater East Rand and Greater Johannesburg regions being the worst off (Table 4.4).

In the Eastern Cape an estimated total of 386 941 economically active young people between 15-29 years were unemployed in 1996, accounting for more than half (51,6%) of all the unemployed in the province (Table 4.13). The unemployment figure for the economically active youth varied considerably between the five regions, with the youth in Regions 4 and 5 the worst off (Table 4.5).

TABLE 4.13: UNEMPLOYMENT AMONG ECONOMICALLY ACTIVE (EA) YOUTH IN GAUTENG AND THE EASTERN CAPE, 1996

Gauteng			Eastern Cape		
Age category	**Total**	**%**	**Age category**	**Total**	**%**
Unemployed	52 667	60.6	Unemployed	61 185	81.6
EA 15-19[1]	86 873	6.7	EA 15-19	74 986	12.6
Unemployed	244 632	48.6	Unemployed	163 800	69.1
EA 20-24[1]	503 452	39.0	EA 20-24	237 194	39.9
Unemployed	257 662	36.7	Unemployed	161 956	57.3
EA 25-29[1]	701 618	54.3	EA 25-29	282 418	47.5
Unemployed	554 961	43.0	Unemployed	386 941	65.1
EA 15-29	1 291 943	100	EA 15-29	594 598	100

[1] The percentage cell in this row represents the proportion of the age category in relation to all economically active youth.
Source: Calculated from Census '96 dataset (Stats SA, 1999).

Table 4.12 shows that at the time of the census the youth in the Eastern Cape stayed longer in education than the youth in Gauteng (e.g. 52% of all Eastern Cape youth aged 20-29 were students as opposed to 28% in Gauteng). This can be attributed to the following factors:

- Higher repeater rates that lead to a high incidence of overaged learners. During the School Register of Needs Survey, conducted by the HSRC in 1996, it was found that in the secondary grades more than 30% of all learners in the Eastern Cape were overage for the grade in which they were enrolled (Hartley *et al.*, 1998b:39). In Gauteng this figure was between 13% and 20% (Hartley *et al.*, 1998a:39).
- The lack of employment opportunities compels the youth to stay longer in education.

The challenge to education and training institutions is to disabuse people of the idea that they will be unemployed until someone else gives them a job. According to Clem Sunter (quoted by

Peter, 2000:1), self-reliance is becoming a global trend: almost 95% of new jobs being created worldwide are in the small business and informal sectors.

A further, equally important, challenge is to foster dignity and professionalism in the job situation. According to Maria Brassiolo, chairperson of Transparency International (Italy) (quoted by Peter, 2000:2), young people assume that a general education will lead to wealth, and they claim more –and more rights and at the same time want fewer duties. She believes that change can come about only by increasing professional awareness and giving every job equal dignity.

People should be proud of the fact that they are contributing to the economy, regardless of whether they are self-employed/self-reliant (engaged in subsistence farming, repairing cars from home, making and selling baked goods, creating crafts and clothing, hosting tourists) or formally employed. People should receive a thorough education, involving a combination of theoretical basic studies (e.g. at a technical college) and professional/practical training in a company, a (guest)house, a shop, in agriculture, in cattle breeding, in a milk-processing plant, etc. Professionalism helps form self-awareness, self-esteem and instills moral standards.

The education systems in the two provinces provide access to education and opportunities for lifelong learning. The question that arises is why unemployment remains high among the apparently better educated young entrants to the labour market. The malfunctioning of the labour market is regarded as a major reason (Paragraph 3.3). However, at the same time, it has to be conceded that education and training provision is inappropriate and not responsive to the requirements of the labour market. The negative output of our school system (especially in subjects such as mathematics and science), our poor history in the field of vocational education and training, and skills shortages/oversupply in certain study fields (Paragraph 3.5.3) are further reasons for the high unemployment rates among the youth.

To illustrate the mismatches between educational output and the skills demands in the labour market, technical colleges in the two provinces will be discussed in terms of their distribution, student enrolment and course offerings.

4.5.1 TECHNICAL COLLEGES IN GAUTENG

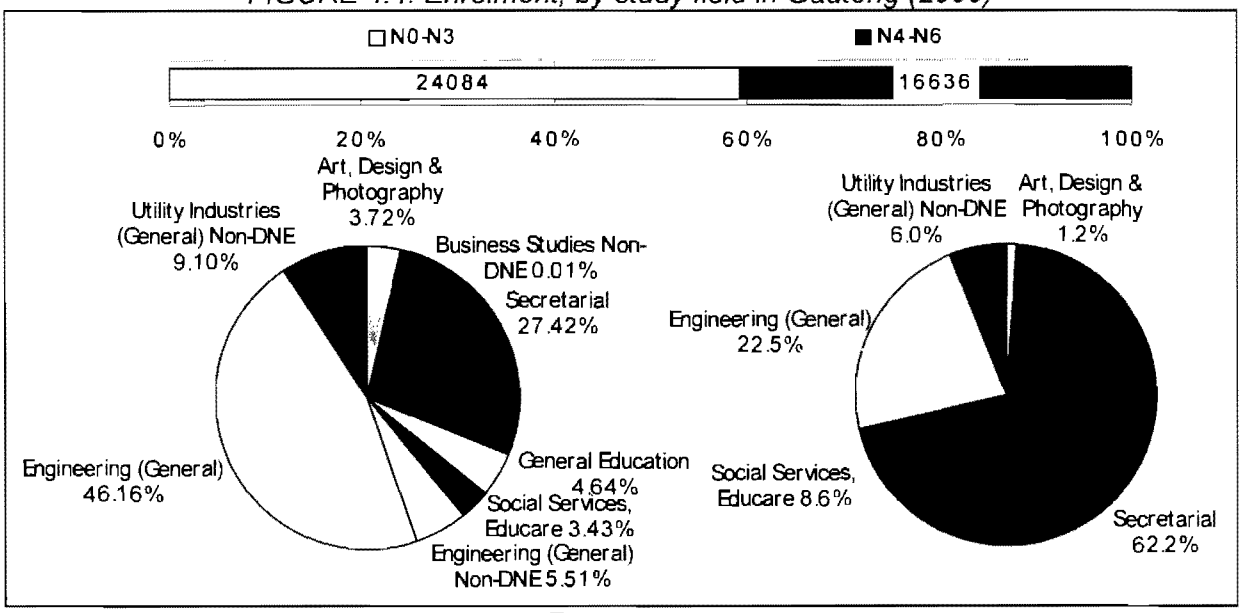
The 32 technical colleges in Gauteng are distributed across the province, with nine in the Greater Johannesburg region, which has the largest population in the province. The Greater East Rand region, with the second largest population, has 11 technical colleges, while the Greater Pretoria region (the third largest population) has six technical colleges. There are three technical colleges each in the Vaal and West Rand regions (Erasmus, 2000a:19).

The Alberton and Brakpan Technical Colleges offer 'secretarial' courses only, while the George Tabor Technical College offers 'engineering' studies only. The other technical colleges in the province offer courses in mainly the 'secretarial' and 'engineering' fields. In addition to these courses, the technical colleges offer courses in 'art, design and photography', 'general education', 'social services and educare', and in 'utility studies'. The Randfontein Technical College is the only college that offers courses in 'business studies'. Most of the technical colleges present courses on a formal basis as well as a non-formal basis (Erasmus, 2000a:20).

A total of 40 720full-time equivalent (FTE) students were enrolled at the 32 technical colleges in Gauteng in 2000. Almost a third (32% or 13 161 FTEs) of these students studied at the 11 technical colleges in the Greater East Rand region, while a quarter (25% or 10 246) of the students were enrolled in the nine technical colleges in the Greater Johannesburg region. Almost a third (30% or 12 035 FTEs) of the students studied at the six technical colleges in the Greater Pretoria region. A further 5,6% (2 271 FTEs) of the students were enrolled at the three technical colleges in the West Rand region and 7,4% (3 007 FTEs) at the three technical colleges in the Vaal region (Erasmus, 2000a:20).

Almost two-thirds (59% or 24 084 FTEs) of the students at technical colleges in Gauteng were taking courses on the further education and training (FET) level (Figure 4.4). In 2000, most of the students (79%) in the further education band (N0, N1, N2 or N3) at technical colleges in the province were enrolled in two of the seven broad study fields presented collectively at the technical colleges: almost half the students (46,2% or 11 118 FTEs) in the further education band were enrolled in 'engineering' courses, while a further 27,4% (6 605 FTEs) were engaged in 'secretarial' courses (Figure 4.4).

FIGURE 4.4: Enrolment, by study field in Gauteng (2000)



Source: Erasmus (2000a:21).

The majority (62% or 10 343 FTEs) in the higher education and training band at technical colleges in Gauteng were enrolled in 'secretarial' courses. A further 22,5% (3 736 FTEs) were studying 'engineering', while 8% (1 356 FTEs) of the students were enrolled in 'social services and educare', 6% (996 FTEs) in 'utility industries' and 1,2% (205 FTEs) in 'art, design and photography' (Figure 4.4).

4.5.1.1 Possible implications for planning

The demand for labour is based on the economic activities in a particular country/province/region. Gauteng ranks first as a contributor to the total wealth created in South Africa. In 1996, the province employed almost a third (28,1%) of all the workers in the country, while its share of the national population was only 18%. Gauteng's job opportunities occurred mainly in the Greater Johannesburg, East Rand and Pretoria regions. The province's relatively developed economy and diversified industrial base made it less vulnerable to *inter alia* fluctuating world commodity prices and climate conditions. However, formal employment growth in the private economy of Gauteng has been declining over the past two decades.

Several economic development projects have been planned for the province. They will help ensure economic growth, concentrating primarily on expanding the manufacturing sector, infrastructure development, and mining and tourism development. Technical colleges will have to align themselves appropriately to respond effectively to new skills needs in the wake of the transformation of the province's economy. Furthermore, the technical colleges in Gauteng have to compete with numerous private colleges, NGOs and trusts which offer a variety of courses to students in the province. This may be why some technical colleges have opted to provide certain courses only (e.g. 'secretarial' courses at the Alberton and Brakpan Technical Colleges).

The following steps aimed at improving college responsiveness to workplace skills needs should be considered:

- Assessment by the technical colleges of other further education and training providers in their regions in terms of course offerings and student enrolments.
- Workshopping by the technical colleges in a region on the possibility of specialisation (what education and training should be offered by which college, and on what NQF level) and of clustering in order to share resources.
- The majority of the students at the Lazarus Nlapo, Atteridgeville, Pretoria and Thuto Matlhal Technical Colleges take courses on the higher education level. These colleges could consider transforming into technikons.
- The challenges facing the Vaal, Greater East Rand and Johannesburg regions are entrepreneurship and small business development (moving people from subsistence to self-

reliance), infrastructure development and the expansion of manufacturing. In the West Rand the challenge is to expand the mining sector. In the Greater Pretoria and Johannesburg regions it is the finance, social and personal services, and tourism sectors that can provide more employment opportunities.

- Enhancing the educational levels of unemployed adults (and the community in general). All the technical colleges should broaden their focus to increase the provision of adult and community education. Food gardening lectures and practical demonstrations (e.g. on sewing and how to cook nutritiously for the family) could, for example, be offered to members of the community.
- Retraining retrenched workers – who have skills only for a particular sector – so that they can acquire the new skills and expertise needed in the local economy.
- Enhancing the educational and skills levels of the vast number of economically active but unemployed youth (especially in the Greater Johannesburg, Greater East Rand and Vaal regions).
- Instilling a culture of self-reliance (imparting the skills needed for self-employment, running small businesses, entrepreneurial activities and community development, and introducing community-relevant self-improvement programmes). This will present a major developmental challenge to all technical colleges.
- Technical colleges should liaise with the provincial departments concerned (the Departments of Agriculture, Welfare, and Trade and Industry) to identify opportunities for the training of agricultural extension workers as well as entrepreneurship and community development extension workers.
- The technical colleges in the West Rand, Greater Pretoria, Vaal and Greater Johannesburg regions should consider offering courses in 'agriculture and horticulture'. Subject matter (for formal and non-formal courses) could include diversification of household income sources, agri-business, management and technical training, production of home-grown fruit and vegetables, and how to access markets to sell surplus produce.
- Grasping the opportunities in tourism – as one of the fastest-growing industries in the world – and the learnership drive (Paragraph 3.8.1.3 and Paragraph 3.8.2.3).
- Assessment by the technical colleges in all regions of training needs in conjunction with manufacturing concerns in the regions.
- Offering of courses in jewellery and metalwork design by the technical colleges in the West Rand region.

4.5.2 TECHNICAL COLLEGES IN THE EASTERN CAPE

More than half the technical colleges (15 out of 26) in the Eastern Cape are situated in Region 1 and Region 2 (Erasmus, 2000b:19). There are five technical colleges in Region 1, nine in Region 2, three in Region 3, four in Region 4 and five in Region 5.

The technical colleges in Region 1 and Region 2 provide the widest selection of courses in the Eastern Cape, including study fields such as 'art, design and photography'; 'cosmetics; music and dance'; 'tourism; and catering and hospitality' in their course offerings. The Grahamstown and Lovedale Technical Colleges (Region 2) and the Queenstown Technical College (Region 3) are the only technical colleges in the Eastern Cape not offering courses in the broad engineering field (Erasmus, 2000b:19).

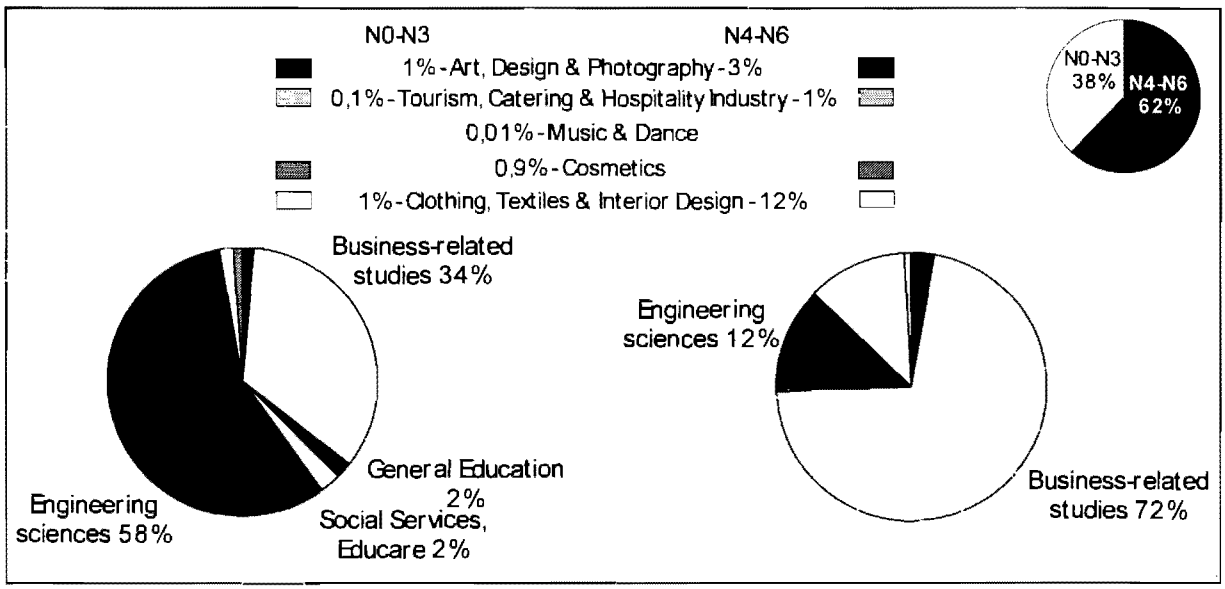
The Bethelsdorp and Russel Road Technical Colleges (Region 1), together with the East London Technical College (Region 2), are the only technical colleges in the Eastern Cape that offer courses in 'tourism, catering and hospitality' (Erasmus, 2000b:20). Tourism has been the world's fastest-growing economic sector over the past 25 years (Fair, 1996a:156), with South Africa as one of the world's fastest-growing tourist destinations since it emerged from its former isolation (Futter & Wood, 1997a:54). According to CIMAC (2000:11), the Eastern Cape has moved from being the fifth to the third most popular domestic tourism destination, and from seventh to fifth for foreign tourists. In 1999, the province accounted for 9% of South Africa's tourism market and is set to grow by 20% a year. None of the technical colleges in the Eastern Cape offers courses in the 'agriculture and horticulture' study field (Erasmus, 2000b:20). The agricultural sector employed between 8% (Region 4) and 19% (Region 3) of the workers in the five regions (Table 4.7).

A total of 16 701 full-time equivalent students (FTEs) were enrolled at the 26 technical colleges in the Eastern Cape at the time of the census. Two-thirds (59,6% or 9 960 FTEs) were studying at the technical colleges in Region 1 and Region 2. The following three technical colleges (out of the 16 in the two regions) – East London (2 356 FTEs), Russel Road (1 268 FTEs) and Bethelsdorp (1 165 FTEs) – attracted almost half (48,1%) of the students in these two regions to their campuses (Erasmus, 2000b:21).

The only other technical colleges attracting more than a 1 000 FTEs were Ngqungqushe (1 568) in Region 5 and Umtata (1 102) in Region 4. The three technical colleges in Region 3, with the smallest share of the Eastern Cape's population, attracted 8,4% of all the technical college students in the Eastern Cape (1 407 FTEs). A further 18% were enrolled at the technical colleges in Region 4 (3 004 FTEs), while 13,9% were enrolled at the technical colleges in Region 5 (2 330 FTEs).

The technical colleges offer courses in the further education and training[4] and in the higher education[5] national qualifications framework (NQF) bands. Almost two-thirds (59% or 24 084 FTEs) of the students at technical colleges in Gauteng were taking courses on the higher education and training (HET) level in 2000 (Figure 4.5). The majority (72% or 7 578 FTEs) of the students in the higher education band at technical colleges in the Eastern Cape were enrolled in 'business-related studies', while a further 12% (1 312 FTEs) were engaged in 'engineering sciences' courses, and 12% (1 270 FTEs) in 'clothing, textiles and interior design' (Figure 4.5).

FIGURE 4.5: Enrolment, by study field in the Eastern Cape (2000)



Source: Erasmus (2000b:21).

Most (58% or 3 676 FTEs) of the students in the further education and training band at technical colleges in the province were enrolled in 'engineering sciences' courses, while a further 34% (2 194 FTEs) were engaged in 'business-related studies' (Figure 4.5).

4.5.2.1 Possible implications for planning

The economies in the different regions of the Eastern Cape are at different stages of competitive development. Regions 1 and 2 are becoming increasingly investment-driven (expanding their manufacturing and services sectors), while Regions 4 and 5 have primarily factor-based economies (relying mainly on the government sector and agricultural production for wealth creation), with Region 3 a mixture of the two stages (Table 4.7).

[4] N0, N1, N2 or N3

[5] N4, N5 or N6

Several economic development projects have been planned for the province. They will ensure economic growth, concentrating primarily on expanding the manufacturing sector (Regions 1 and 2), infrastructure development (all the regions), agricultural projects and tourism development (in all the regions, but especially in Regions 4 and 5). Technical colleges will have to align themselves appropriately to respond effectively to new skills needs in the wake of the transformation of the province's economy. The following steps should be considered:

- Enhancing the educational levels of unemployed adults (and the community in general). All the technical colleges, but especially those in Regions 4 and 5, should broaden their focus to include adult and community education.
- Retraining retrenched workers – who have skills only for a particular sector – so that they can acquire the new skills and expertise needed in the local economy.
- Enhancing the educational and skills levels of the vast number of economically active but unemployed youth (especially in Regions 4 and 5).
- Instilling a culture of self-reliance (imparting the skills needed for self-employment, small businesses, entrepreneurial activities and community development, and introducing community-relevant self-improvement programmes), especially those in Regions 4 and 5. The technical colleges in Region 3 – evidently the agricultural heartland of the Eastern Cape – and in Regions 4 and 5 should consider offering courses in 'agriculture and horticulture'.
- Grasping the opportunities in tourism presented by the Wild Coast Sun SDI and the learnership drive. This applies particularly to the technical colleges in Regions 4 and 5. For example, at the Presidential Jobs Summit that was held in October 1998, it was agreed to train 5 000 new learners in travel and tourism through a structured programme of learnerships (Paragraph 3.8.2.3). Subject matter (for formal and non-formal courses) could include protection of conservancies/natural resources, community policing/security and crime prevention, arts and crafts, and adventure tourism.
- Workshopping by the technical colleges in a region on the possibility of specialisation (what education and training should be offered by which college) and of clustering in order to share resources. It is especially the technical colleges in Regions 4 and 5 that have to come to terms with the economic environment in which they are operating. The challenges facing these two regions are agricultural (moving people from subsistence to productive farming) and tourism development.

The ideas offered above and in Paragraph 4.5.1.1 are merely broad suggestions. In general, technical colleges could consider the following actions:

- Assessment by technical colleges of the training needs of informal business owners/managers in their catchment areas. Technical colleges could consider offering

general business training on a non-formal basis. The findings of a recent study, completed by the Bureau for Market Research in 1998, provide some insight into the training needs of the owners/managers of small, medium and micro-enterprises and their employees (Martins & Tustin, 1999).

- Distributing a list of all the technical colleges in the province and the courses they offer, to government departments, businesses and industry in the province, and to SETAs as soon they are established.
- Promotion by technical colleges of stakeholder representation (government departments, business and industry, SETAs, labour and the community) in college governance. This could enhance the technical colleges' sense of commitment (to be responsive to workplace skills needs) and provide an opportunity for direct guidance from stakeholders.

4.6 SUMMARY

From the above comparison of Gauteng and the Eastern Cape it is clear that huge disparities exist between the two provinces. Although they have almost the same population size – Gauteng has 18% and the Eastern Cape 15% of the national population – Gauteng's inhabitants live in the urban areas of the province, while the Eastern Cape is more rural in character. Furthermore, Gauteng has an older population, with a smaller child population, a bigger proportion of people of working age and a better educated labour force than the Eastern Cape, resulting in a higher labour participation rate in Gauteng.

Gauteng is perceived as the economic powerhouse of the country. Apart from the West Rand region whose economy is mainly factor-driven (relying heavily on mining), the other four regions in the province are in the more advanced stages of Porter's model. The financial services and trade sectors create most job opportunities in the private economy of the Greater Pretoria and Johannesburg regions. The Greater Pretoria region attracts the largest proportion of people with higher levels of education. Since most uneducated workers are concentrated in the mining and industrial areas, the West Rand region has the largest proportion of workers with less than a secondary level education.

The Eastern Cape consists of relatively developed manufacturing centres and underdeveloped rural areas, and is therefore considered mainly factor-driven. Manufacturing together with wholesale and retail trade, and catering and accommodation services, are the main wealth creation activities in the province, but they are concentrated in Port Elizabeth and East London where the motor vehicle and components industries predominate. Regions 1 and 2 (with Port Elizabeth and East London the nodal points) provide almost three-quarters (71%) of the formal employment opportunities in the Eastern Cape. Collectively, Regions 3 to 5 provide jobs to less than a third of all the workers in the province. Regions 1 and 2 have a better educated

workforce (however, less educated than in Gauteng), while Regions 4 and 5 have more unskilled workers and higher unemployment rates. The province has several rich (although small) agricultural areas that are not being farmed optimally. Tourism also provides opportunities and should be further exploited.

Concern is being raised about corruption in government departments and the fight against it is intensifying. The low educational levels of the labour force in the Eastern Cape –together with the fact that more than half of all the workers in the province are employed as public servants – casts doubt on the efficiency of the state administration system.

Gauteng's system of education and training is evidently better equipped to respond to workplace skills needs than the education and training system in the Eastern Cape. Gauteng learners fare considerably better than their Eastern Cape counterparts in subjects such as mathematics and science, and have better matriculation examination results.

Although technical colleges focus mainly on engineering and business studies (and accordingly contribute to the supply of qualified workers in these fields), the enrolments at these colleges are a small proportion of all learners in the FET band. Furthermore, several technical colleges are apparently not tuned into the economic activities in their catchment areas (e.g. no provision for agriculture and tourism at technical colleges in Regions 4 and 5 of the Eastern Cape). Regions (even districts) are an important context for the analysis of labour market behaviour and outcomes for workers. Regional/District profiles can be a key resource for human resource development planning.

Close links are needed between the various stakeholders – the educational institutions, SETAs, provincial and local government structures, local business chambers, local economic development projects and initiatives, formal and informal business, labour and the community. Such a relationship will take time to develop and mature to a level where educational institutions are aware/informed of and capable of responding swiftly and effectively to changing workplace skills needs that are relevant to their particular context.

CHAPTER 5

5. PERCEPTIONS AND EXPECTATIONS OF UNEMPLOYED PEOPLE IN GAUTENG AND THE EASTERN CAPE

5.1 INTRODUCTION

Chapters 2-4 pointed to the interactive relationship between economic development and skills development. Although many countries (including South Africa) are experiencing economic growth and are becoming increasingly competitive, more and more workers are being retrenched, while those in employment are experiencing declining real wages and job security. It became evident from these chapters that a skilled labour force is an important lever of economic growth. Furthermore, it emerged that different countries followed different skills formation routes, depending on the education and training systems that developed in response to the demands of their productive systems.

In their endeavours to enhance the responsiveness of their education and training institutions to labour market demands, countries either improved their homegrown policies and strategies or borrowed new policies from 'competitor nations'. Several examples of 'best' practices emerged which can serve as benchmarks for the alignment of education and training systems and productive systems in developing countries.

South Africa's overall economic structure is that of a developed country, but the location and distribution of employment opportunities and the availability of skills differ significantly from province to province. The low educational levels of our human resources and the high level of unemployment in the country, led the South African government to realign its educational and training priorities and search for methods of getting people into employment. The effects of low educational levels, as well as people's attitudes to, and perceptions of, certain types of work may impact on the efficacy of government strategies to enhance people's skills levels and to create jobs.

In the quest for a better understanding of how unemployed people interact with the labour market, the responses to interviews of a sample of 671 individuals were analysed to determine their economic activities and survival strategies, and their expectations of and interactions with, the labour market. This chapter describes the empirical design of the study, deals with the survey results and provides an overview of the biographical characteristics of the unemployed persons interviewed: their educational levels, previous work experience and current interaction with the labour market.

5.2 EMPIRICAL DESIGN

A process of data mining was carried out to obtain empirical input (Paragraph 1.4.2). A recent study conducted by the author for the Human Sciences Research Council (HSRC) on how unemployed people participate in the labour market served as the basis for the empirical data. The basic premise of the unemployment study was that job creation strategies cannot be devised without an understanding of the role and expectations of the unemployed themselves with regard to their participation in the labour market. Refer to Annexure C for an overview of the empirical design of the unemployment study. The data collected were captured and analysed for the total sample; no reporting was done on the responses gathered from individual provinces and no comparisons were drawn between provinces.

For the purposes of the study on training for job creation, the responses arising from the Gauteng and Eastern Cape interviews were analysed. For comparative reasons, the Eastern Cape was chosen as the province with the highest incidence of unemployment, and Gauteng as the province with the lowest unemployment rate (Paragraph 1.4.1.3).

5.2.1 SAMPLE

The data consisted of responses from 671 interviews held with 335 unemployed people in four geographical areas of Gauteng, and with 336 unemployed people in three geographical areas of the Eastern Cape. Table 5.1 indicates the number of interviews that were conducted in each of the selected geographical areas.

TABLE 5.1: GEOGRAPHICAL DISTRIBUTION OF SAMPLE

Province	N	%
Gauteng	**335**	**49.9**
Mamelodi	84	12.5
Soweto	148	22.1
Krugersdorp	21	3.1
Tembisa	81	12.1
Eastern Cape	**336**	**50.1**
Cala	86	12.8
Bisho/King William's Town	78	11.6
Port Elizabeth	172	25.6
Total sample	**671**	**100**

5.2.2 QUESTIONNAIRE

The questionnaire (Annexure E) endeavoured to elicit the following information:

- demographic characteristics (e.g. race, gender, age, educational levels);
- cyclical/structural unemployment;

- coping mechanisms: •dependence on other members of the household,
  •involvement in the informal sector,
  •reliance on unemployment insurance, grants and charity;
- job-seeking activities: •ways of searching,
  •job interest,
  •knowledge and use of support services and job creation projects;
- needs of the unemployed regarding their interaction with the labour market;
- needs regarding their interaction with government aid and assistance programmes.

The final questionnaire contained 59 questions. Multiple-choice and open-ended questions included demographical items (e.g. population group, gender and age); factual items (e.g. employment history and knowledge of support services); behavioural items (e.g. coping mechanisms and job-seeking activities); and attitudinal items (e.g. job preference and use of services). Categorical scales (yes/no) were mainly used to measure the items on the instrument. In one exception, a Likert-like items-based scale was used to determine job preferences. The respondents were asked to rank their job interest on a scale ranging from 'not at all' to 'definitely'.

5.2.3 ADMINISTRATIVE PROCEDURES

The data for Gauteng (n=335) and the Eastern Cape (n=336) were withdrawn from the unemployment study database and two separate datasets created. These data were then further analysed, using the Statistical Package for the Social Sciences (SPSS).

5.2.3.1 Statistical techniques

The majority of the items on the instrument elicited categorical data and were analysed using frequencies. The results are reported in tables or were used to construct graphs.

Factor analysis was conducted to investigate the relationship between the 21 items of Question 6 in the questionnaire. The respondents were asked to indicate to what extent (not at all – perhaps – definitely) they were willing to accept different types of work and working conditions. Factor analysis is a statistical technique used to reduce a relatively large number of variables to a smaller number of hypothetical constructs (Bailey, 1987:353; Swanson & Holton III, 1997:76). This statistical method firstly explores the number and nature of constructs (factors) underlying a specific theory, test or questionnaire, and secondly provides a possible answer for the conceptualisation of the relation between the variables.

The basic assumption of factor analysis is that underlying dimensions or factors can be used to explain rather complex phenomena. The grouping of specific variables originates due to

common variance. The final aim of factor analysis is to present the relationship between variables as simply as possible. The following steps are part of factor analysis:

- Calculation of a correlation matrix
- Extraction of factors – determining the number of factors needed to suit the model
- Rotation – focus on the transformation of data so that they can easily be interpreted
- Calculation of scores for each factor

After the factor analysis has been completed, the factors are interpreted and named. According to Child (1970:45), factors with values larger than 0,30 can be interpreted as significant if the sample is big enough (>50). For the purpose of this study, factor values of 0,30 and higher were accepted. SPSS was used to perform the factor analysis. The eigenvalues of the correlation matrix were extracted using *principal axis factoring*. The number of factors was not specified. Rotation was done using the *direct oblimon procedure*.

5.2.4 RELIABILITY OF THE DATA

5.2.4.1 Sampling error

For the unemployment study, the sampling process provided for a fair representation nationally of unemployed people based on characteristics such as geographical/regional distribution, population group distribution, and gender and age distribution. For example, the sample for the unemployment study consisted of 88,5% African, 7,5% coloured, 1,7% Asian and 2,3% white respondents to mirror the population group distribution of unemployment in South Africa (Erasmus, 1999:55).

It should be borne in mind that in the training for job creation study, the interviews in Gauteng were held in Mamelodi, Soweto, Krugersdorp and Tembisa, and in the Eastern Cape they were held in Cala, Bisho/King William's Town and Port Elizabeth. This limits the representativeness of this study in terms of actual population distribution (e.g. in these areas no unemployed Asian respondents were interviewed). Thus, the responses of only African, coloured and white respondents are reported on.

5.2.4.2 Interviewer errors

Three types of error can be caused by an interviewer's conduct, namely errors in asking questions, errors in recording answers and errors due to cheating. Although the interviewers were well trained, these types of errors can naturally have a negative influence on the survey results.

5.2.4.3 Reporting errors

Every possible precaution was taken in the construction of the questionnaire and the training and supervision of the interviewers to minimise these errors. The fact remains, however, that respondents tend to overstate status items like level of education on the one hand and to understate income on the other.

5.2.5 VALIDATION

The reliability of survey findings is usually measured by comparison with secondary sources. Where possible such comparisons are made in this report.

5.3 BIOGRAPHICAL CHARACTERISTICS OF THE RESPONDENTS

The following biographical description of the respondents includes an indication of their age range, educational background and their previous work experience. As mentioned, 671 interviews were conducted with unemployed people in three different geographical areas in each of two provinces, Gauteng (n=335) and the Eastern Cape (n=336). The geographical distribution of the respondents is shown in Table 5.2.

TABLE 5.2: GEOGRAPHICAL AREA OF THE RESPONDENTS, ACCORDING TO THEIR POPULATION GROUP

Population group		Gauteng					Eastern Cape				Total sample
		Mamelodi	Soweto	Krugersdorp	Tembisa	Total	Cala	Bisho/ K W T	Port Elizabeth	Total	
African	N	83	148	0	81	**312**	85	69	145	**299**	**611**
	%[1]	13.6	24.2	0	13.3	**51.1**	13.9	11.3	23.7	**48.9**	**100**
Coloured	N	1	1	0	0	**2**	1	5	27	**33**	**35**
	%[1]	2.9	2.9	0	0	**5.7**	2.9	14.3	77.1	**94.3**	**100**
Asian	N	0	0	0	0	**0**	0	0	0	**0**	**0**
	%[1]	0.0	0.0	0.0	0.0	**0.0**	0.0	0.0	0.0	**0.0**	**0.0**
White	N	0	0	21	0	**21**	0	4	0	**4**	**25**
	%[1]	0	0	84	0	**84.0**	0	16	0	**16.0**	**100**
TOTAL	N	84	148	21	81	**335**	86	78	172	**336**	**671**
	%[1]	12.5	22.1	3.1	12.1	**49.9**	12.8	11.6	25.6	**50.1**	**100**

[1] Row percentage.

The Gauteng sample consisted of 93,1% African, 0,6% coloured and 6,3% white respondents (Table 5.3). Similarly, the majority (89%) of the unemployed persons interviewed in the Eastern Cape were Africans. A further 9,8% were coloureds and the rest (1,2%) were whites. In Gauteng there were no coloured respondents in Tembisa and Krugersdorp, with white respondents in Krugersdorp only. In the Eastern Cape no white respondents were included in the Cala and Port Elizabeth samples.

TABLE 5.3: POPULATION GROUP DISTRIBUTION OF RESPONDENTS

Gauteng	Total N	Total %[1]	Mamelodi N	Mamelodi %[1]	Soweto N	Soweto %[1]	Tembisa N	Tembisa %[1]	Krugersdorp N	Krugersdorp %[1]
African	312	93.1	83	98.8	148	99.3	81	100	0	0
Coloured	2	0.6	1	1.2	1	0.7	0	0	0	0
White	21	6.3	0	0	0	0	0	0	21	100
Total	335	100	84	100	149	100	81	100	21	100

Eastern Cape	Total N	Total %[1]	Cala N	Cala %[1]	Bisho/KWT N	Bisho/KWT %[1]	Port Elizabeth N	Port Elizabeth %[1]
African	299	89	85	98.8	69	88.5	145	84.3
Coloured	33	9.8	1	1.2	5	6.4	27	15.7
White	4	1.2	0	0	4	5.1	0	0
Total	336	100	86	100	78	100	172	100

[1] Column percentage.

Almost equal numbers of males (49%) and females (51%) were interviewed in Gauteng However, in Mamelodi and in Krugersdorp more males than females were interviewed, while in Soweto and Tembisa more females than males were interviewed (Table 5.4). More women (53,6%) than men (46,4%) were interviewed in the Eastern Cape. Notably, more women (56,4%) than men (43,6%) were unemployed in Bisho.

TABLE 5.4: GENDER DISTRIBUTION OF RESPONDENTS

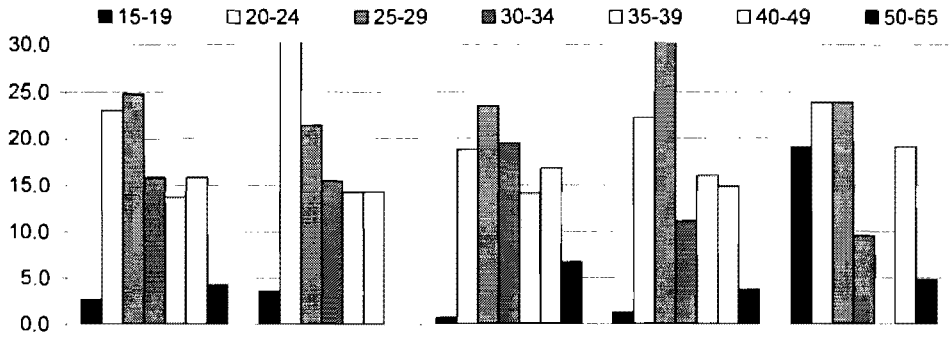
Gauteng	Total N	Total %[1]	Mamelodi N	Mamelodi %[1]	Soweto N	Soweto %[1]	Tembisa N	Tembisa %[1]	Krugersdorp N	Krugersdorp %[1]
Male	164	49.0	43	51.2	71	47.7	39	48.1	11	52.4
Female	171	51.0	41	48.8	78	52.3	42	51.9	10	47.6
Total	335	100	84	100	149	100	81	100	21	100

Eastern Cape	Total N	Total %[1]	Cala N	Cala %[1]	Bisho/KWT N	Bisho/KWT %[1]	Port Elizabeth N	Port Elizabeth %[1]
Male	156	46.4	41	47.7	34	43.6	81	47.1
Female	180	53.6	45	52.3	44	56.4	91	52.9
Total	336	100	86	100	78	100	172	100

[1] Column percentage.

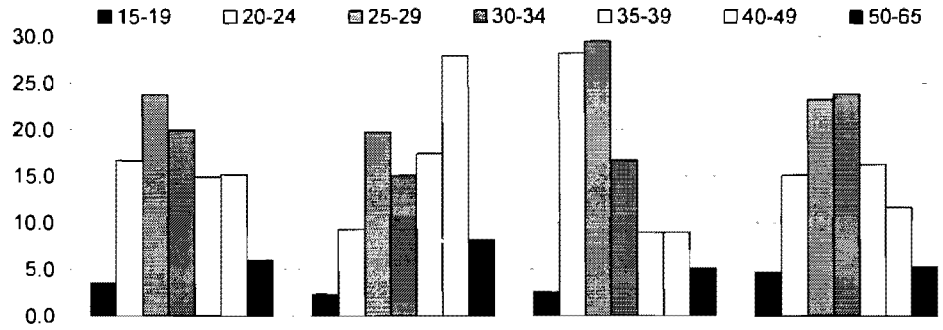
The jobless respondents were relatively young. Half (50,5%) of the respondents in Gauteng were younger than 30 years of age (Figure 5.1). In the Eastern Cape 44,1% of the respondents were younger than 30 years of age (Figure 5.2). This corroborates the contention that unemployment among the youth is high in South Africa (Paragraph 3.4.2). The respective figures are in line with the distribution of the unemployed population in the age group 15-29 in each of the provinces. According to the results of Census '96 released by Statistics South Africa, 55,5% of the total population in Gauteng and 51,6% of the total population in the Eastern Cape were in this age group (Paragraph 4.5). It is especially in Mamelodi (56,0%) and in Tembisa (54,2%) where people in the age group 15-29 years of age struggled to find employment (Figure 5.1).

Figure 5.1: Age distribution (five-year intervals) of Gauteng respondents



	Gauteng		Mamelodi		Soweto		Tembisa		Krugersdorp	
Age	**N**	**%**	**N**	**%**	**N**	**%**	**N**	**%**	**N**	**%**
15-19	9	2.7	3	3.6	1	0.7	1	1.2	4	19.0
20-24	77	23.0	26	31.0	28	18.8	18	22.2	5	23.8
25-29	83	24.8	18	21.4	35	23.5	25	30.9	5	23.8
30-34	53	15.8	13	15.5	29	19.5	9	11.1	2	9.5
35-39	46	13.7	12	14.3	21	14.1	13	16.0	0	0.0
40-49	53	15.8	12	14.3	25	16.8	12	14.8	4	19.0
50-65	14	4.2	0	0.0	10	6.7	3	3.7	1	4.8
Total	335	100	84	100	149	100	81	100	21	100

Figure 5.2: Age distribution (five year intervals) of Eastern Cape respondents



	Eastern Cape		Cala		Biso/King William's Town		Port Elizabeth	
Age	**N**	**%**	**N**	**%**	**N**	**%**	**N**	**%**
15-19	12	3.6	2	2.3	2	2.6	8	4.65
20-24	56	16.7	8	9.3	22	28.2	26	15.12
25-29	80	23.8	17	19.8	23	29.5	40	23.26
30-34	67	19.9	13	15.1	13	16.7	41	23.84
35-39	50	14.9	15	17.4	7	9.0	28	16.28
40-49	51	15.2	24	27.9	7	9.0	20	11.63
50-65	20	6.0	7	8.1	4	5.1	9	5.23
Total	336	100	86	100	78	100	172	100

The age distribution among the respondents in the Eastern Cape differed considerably between the three areas where the interviews were conducted. In the Bisho/King William's Town area, the respondents were relatively young with more than half (55,3%) younger than 30 years of age. The largest proportion (27,9%) of the respondents in Cala were 40-49 years old, while in Port Elizabeth almost half (47,1%) of the respondents fell in the 25-34 years age group.

5.4 EDUCATIONAL LEVELS

The level of education the respondents reportedly had at the time of the interviews differs widely from the national profile calculated during the 1996 population census (Table 5.5). For example, only 2,1% of the Gauteng respondents and 1,8% of the Eastern Cape respondents indicated not having attended any school, while the 1996 population census revealed that 16,9% of the unemployed population had never attended school (Figure 2.4). In the survey, 30,1% of the respondents in Gauteng and 31,8% in the Eastern Cape indicated that they had obtained Grade 12, while the figure emerging from the census was as low as 15,2%. According to 4,5% of the Gauteng respondents and 8,9% of the Eastern Cape respondents, they had attained a tertiary education qualification, while 1,6% of the unemployed indicated that they had attained a tertiary education qualification during Census '96 (Paragraph 3.4.2: Figure 3.4).

TABLE 5.4: HIGHEST EDUCATIONAL LEVEL OF RESPONDENTS

Gauteng	Total		Mamelodi		Soweto		Tembisa		Krugersdorp	
	N	%	N	%	N	%	N	%	N	%
None	7	2.1	1	1.2	3	2.0	3	3.7	0	0.0
Some/Complete primary	32	9.6	9	10.7	12	8.1	11	13.6	0	0.0
Some secondary	180	53.7	37	44.0	86	57.7	46	56.8	11	52.4
Grade 12	101	30.1	35	41.7	39	26.2	17	21.0	10	47.6
Higher	15	4.5	2	2.4	9	6.0	4	4.9	0	0.0
Total	335	100	84	100	149	100	81	100	21	100
Eastern Cape	**Total**		**Cala**		**Bisho/KWT**		**P.E.**			
	N	%	N	%	N	%	N	%		
None	6	1.8	1	1.16	2	2.6	3	1.7		
Some/Complete primary	27	8.0	14	16.3	3	3.8	10	5.8		
Some secondary	166	49.4	37	43.0	38	48.7	91	52.9		
Grade 12	107	31.8	20	23.3	33	42.3	54	31.4		
Higher	30	8.9	14	16.38	2	2.6	14	8.14		
Total	336	100	86	100	78	100	172	100		

The difference could be attributed to increased levels of school attendance together with the inability of the formal sector of the economy to absorb the supply of new entrants to the labour market. The respondents could also have overstated their levels of education. Although higher levels of education were reported, educational attainment was still low if it is considered that more than two-thirds (65,4%) of the Gauteng respondents and more than half (59,2%) of the Eastern Cape respondents had not obtained the equivalent of a Grade 12 qualification.

The findings of the survey confirm the differential access to educational opportunities in the past for the different population groups and in different geographical areas (Paragraph 3.5 and Paragraph 4.5). Table 5.5 indicates that all of the Krugersdorp (white) respondents had, at least, completed primary schooling. However, unemployed people in Mamelodi (10,7%),

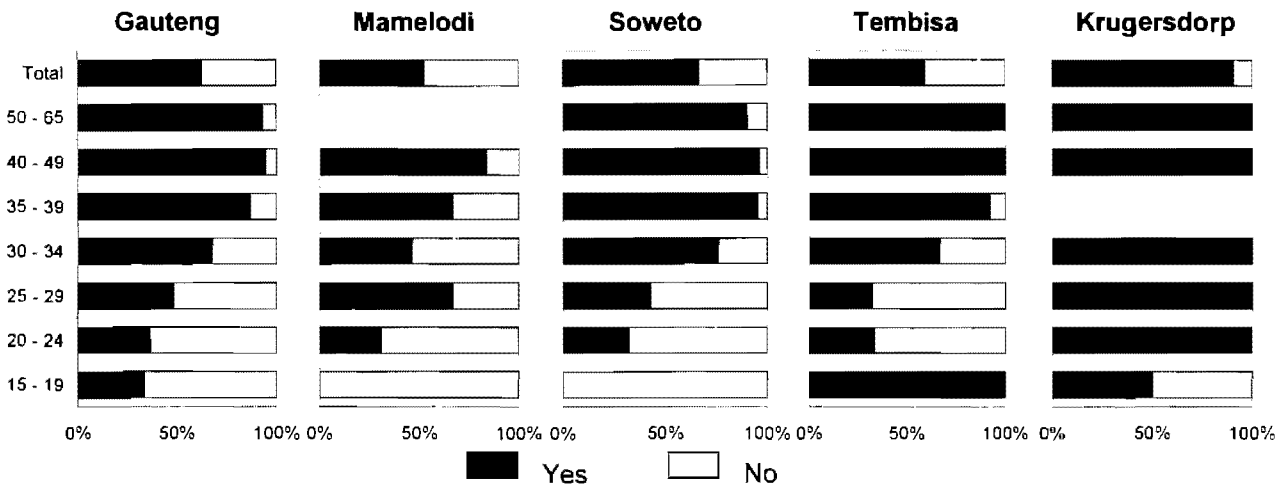
Tembisa (13,6%) and especially Cala (16,3%) had not completed primary schooling (Table 5.5). The high incidence of unemployed respondents with higher education qualifications in, for example, Cala (16,3%) may be attributable to the lack of job opportunities in the area.

5.5 PREVIOUS WORK EXPERIENCE

Almost two-thirds of all the unemployed respondents (62,7%) in Gauteng had been previously employed (Figure 5.3). However, the disparities between the different areas are high. In Gauteng, among the Krugersdorp unemployed respondents, as many as 90,5% had been previously employed, while 66,4% of the Soweto, 59,3% of the Tembisa and 52,4% of the Mamelodi respondents had worked before.

Young people are affected the most by the lack of job opportunities (Paragraph 3.4.2). This is confirmed by the fact that more than two-thirds of the respondents in the age group 15-24 years had not been previously employed, while more than two-thirds of the respondents 30 years and older had worked before.

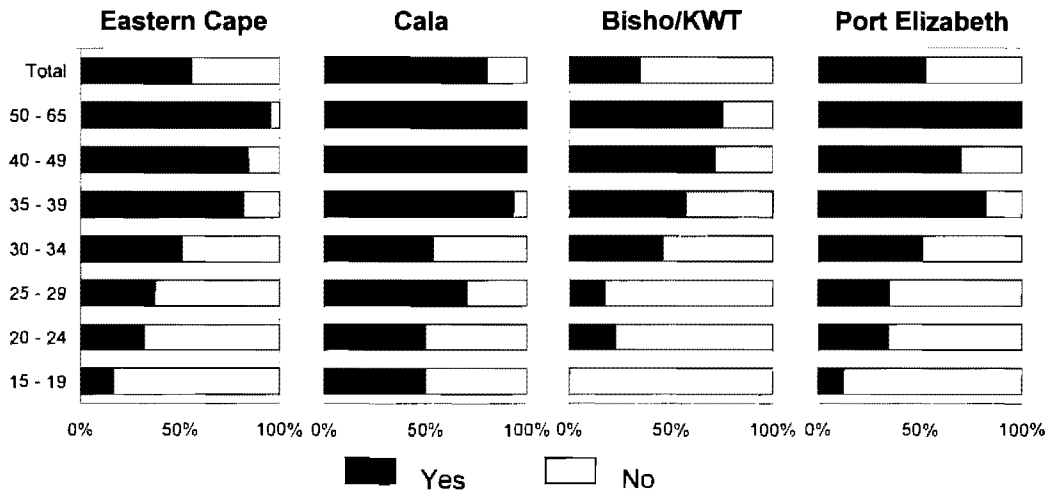
Figure 5.3: Gauteng, previous employment experience



The Eastern Cape respondents confirmed the lack of employment opportunities in the province (Paragraph 4.2.3). Almost half (44,3%) of those interviewed in the Eastern Cape had not been previously employed (Figure 5.4). Like Gauteng, there were considerable differences between the areas. More than two-thirds (65,4%) of the Bisho/King William's Town respondents had had no previous employment, while almost half (47,1%) of the Port Elizabeth unemployed respondents had had no previous work experience. However, the majority (80,2%) of the Cala respondents indicated that they had been employed before. This could be attributable to the fact that – in the absence of local job opportunities – people have to migrate to other provinces like Gauteng to work in the mines.

The majority (66,2%) of the economically active youth (15-29 years) in the Eastern Cape reported not having been previously employed. It was especially in the Bisho/King William's Town area and in Port Elizabeth where young persons could not find a job. On the other hand, most (82% and more) of those older than 35 years of age had been previously employed (Figure 5.4).

Figure 5.4: Eastern Cape, previous employment experience



Most of those who had been employed before had worked in elementary occupations (38% in both provinces) or as service workers, and shop and market sales workers (Gauteng: 19,5% – Eastern Cape: 18,1%) (Table 5.6). A further 15,4% and 19,1% respectively had worked as craft and related trade workers, and in clerical positions (Gauteng: 13,3% – Eastern Cape: 10,1%).

Closely related to low levels of education (see Table 5.5), almost half (45,5%) of the Mamelodi respondents, and more than half (56,3%) of the Tembisa and Port Elizabeth (52,2%) respondents, had previously been employed in elementary occupations. Their redundancy confirms the decline in the demand for low-skilled and unskilled workers (Paragraph 2.3 and Paragraphs 3.2-3). The high incidence (33,3%) of unemployed respondents in Cala who had previously been employed as craft and related trade workers, confirms the possibility that they could have been retrenched migrant mine workers.

TABLE 5.6: PREVIOUS OCCUPATION

Gauteng	Total		Mamelodi		Soweto		Tembisa		Krugersdorp	
	N	%	N	%	N	%	N	%	N	%
Professionals	1	0.5	0	0.0	1	1.0	0	0.0	0	0.0
Technicians and associate professionals	4	1.9	0	0.0	2	2.0	1	2.1	1	5.3
Clerks	28	13.3	6	13.6	12	12.1	3	6.3	7	36.8
Service workers and shop and market sales workers	41	19.5	14	31.8	17	17.2	5	10.4	5	26.3
Skilled agricultural and fishery workers	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Craft and related trades workers	32	15.2	3	6.8	22	22.2	4	8.3	3	15.8
Plant and machine operators and assemblers	21	10.0	1	2.3	11	11.1	8	16.7	1	5.3
Elementary occupations	80	38.1	20	45.5	31	31.3	27	56.3	2	10.5
Occupation unspecified	3	1.4	0	0.0	3	3.0	0	0.0	0	0.0
Total	210	100	44	100	99	100	48	100	19	100

Eastern Cape	Total		Cala		Bisho/KWT		P E	
	N	%	N	%	N	%	N	%
Professionals	4	2.1	3	4.3	0	0.0	0	0.0
Technicians and associate professionals	4	2.1	4	5.8	0	0.0	1	1.1
Clerks	19	10.1	8	11.6	6	22.2	5	5.4
Service workers and shop and market sales workers	34	18.1	7	10.1	4	14.8	23	25.0
Skilled agricultural and fishery workers	1	0.5	0	0.0	0	0.0	1	1.1
Craft and related trades workers	36	19.1	23	33.3	5	18.5	8	8.7
Plant and machine operators and assemblers	14	7.4	4	5.8	4	14.8	6	6.5
Elementary occupations	72	38.3	16	23.2	8	29.6	48	52.2
Occupation unspecified	4	2.2	4	5.8	0	0.0	0	0.0
Total	188	100	69	100	27	100	92	100

Among those respondents who had previously worked for an employer, the number of years of work experience varied considerably from less than a year to 36 years (Table 5.7). More than two-thirds of the Gauteng respondents (67,1%) had worked for an employer for four years or less, a further 19,0% had worked for five to nine years, and 18,9% had done so for ten years or more. It is especially the unemployed in Mamelodi (77,8%) and Soweto (65,3%) who had had little work experience (four years and less). In the Eastern Cape over half (51,6%) of the respondents had been employed for four years or less. A further 23,1% had worked for five to nine years, and 25,3% had done so for ten years or more.

TABLE 5.7: YEARS PREVIOUSLY EMPLOYED

Gauteng	Total		Mamelodi		Soweto		Tembisa		Krugersdorp	
	N	%	N	%	N	%	N	%	N	%
Less than one year	21	10.0	7	15.6	3	3.1	7	14.6	4	21.1
1-4 years	120	57.1	28	62.2	61	62.2	20	41.7	11	57.9
5-9 years	40	19.0	7	15.6	22	22.4	9	18.8	0	0.0
10-14 years	13	6.2	0	0.0	7	7.1	6	12.5	2	10.5
15-19 years	10	4.8	1	2.2	4	4.1	4	8.3	1	5.3
20 years or more	6	2.9	2	4.4	1	1.0	2	4.2	1	5.3
Total	210	100	45	100	98	100	48	100	19	100
Eastern Cape	**Total**		**Cala**		**Bisho/KWT**		**P E**			
	N	%	N	%	N	%	N	%		
Less than one year	16	8.6	2	3.0	3	11.1	11	12.0		
1-4 years	80	43.0	22	32.8	12	44.4	46	50.0		
5-9 years	43	23.1	17	25.4	7	25.9	19	20.7		
10-14 years	28	15.1	19	28.4	1	3.7	8	8.7		
15-19 years	13	7.0	5	7.5	1	3.7	7	7.6		
20 years or more	6	3.2	2	3.0	3	11.1	1	1.1		
Total	186	100	67	100	27	100	92	100		

Most of those who had lost their jobs had been employed in the wholesale, retail trade, catering and accommodation services (32,9% of all the respondents in Gauteng and 30,3% in the Eastern Cape) (Table 5 8). Job losses in the wholesale, retail trade, catering and accommodation services sector could be attributable to the increasing trend to make use of casual employment. Many of the respondents from especially Mamelodi (43,2%) and Bisho/King William's Town (44,4%) had been previously employed in the wholesale, retail trade, catering and accommodation services sector.

A further 22,4% of the Gauteng respondents and 18,6% of the Eastern Cape respondents had been employed in the manufacturing sector. Increasing use of labour-saving technology – as mentioned in Chapter 2 – could have been the reason for job losses in the manufacturing sector. A third (33,3%) of the Tembisa respondents and more than a quarter (27,3%) of the Mamelodi respondents and (25,9%) of the Bisho/King William's Town respondents had lost their jobs in manufacturing.

TABLE 5.8: PREVIOUS EMPLOYER

Gauteng	Total		Mamelodi		Soweto		Tembisa		Krugersdorp	
	N	%	N	%	N	%	N	%	N	%
Agriculture, hunting forestry and fishery	1	0.5	0	0.0	1	1.0	0	0.0	0	0.0
Community, social and personal services	35	16.7	3	6.8	18	18.2	7	14.6	7	36.8
Construction	27	12.9	7	15.9	15	15.2	5	10.4	0	0.0
Electricity, gas and water	7	3.3	0	0.0	1	1.0	3	6.3	3	15.8
Financing, insurance, real estate and business services	9	4.3	3	6.8	5	5.1	0	0.0	1	5.3
Manufacturing	47	22.4	12	27.3	18	18.2	16	33.3	1	5.3
Mining and quarrying	4	1.9	0	0.0	1	1.0	3	6.3	0	0.0
Transport, storage and communication	11	5.2	0	0.0	4	4.0	5	10.4	2	10.5
Wholesale, retail trade and catering and accommodation services	69	32.9	19	43.2	36	36.4	9	18.8	5	26.3
Total	210	100	44	100	99	100	48	100	19	100

Eastern Cape	Total		Cala		Bisho/KWT		P E	
	N	%	N	%	N	%	N	%
Agriculture, hunting forestry and fishery	11	5.9	3	4.3	0	0.0	8	8.7
Community, social and personal services	31	16.5	11	15.9	4	14.8	16	17.4
Construction	17	9.0	8	11.6	2	7.4	7	7.6
Electricity, gas and water	8	4.3	3	4.3	0	0.0	5	5.4
Financing, insurance, real estate and business services	9	4.8	6	8.7	1	3.7	2	2.2
Manufacturing	35	18.6	13	18.8	7	25.9	15	16.3
Mining and quarrying	13	6.9	11	15.9	1	3.7	1	1.1
Transport, storage and communication	7	3.7	1	1.4	0	0.0	6	6.5
Wholesale, retail trade and catering and accommodation services	57	30.3	13	18.8	12	44.4	32	34.8
Total	188	100	69	100	27	100	92	100

Transformation and rationalisation processes – as a result of the commitment of the government to downsize the civil service – may have been why more than 16% of the respondents in both provinces lost their jobs in the community, social and personal services sector (Table 5.8). Those mostly affected by restructuring in this sector were the Krugersdorp (36,8%), Soweto (18,2%) and Port Elizabeth (17,4%) respondents. The fourth sector that contributed extensively to job losses was the construction sector, where 12,9% of the unemployed interviewed in Gauteng and 9,0% in the Eastern Cape had previously worked.

5.6 SURVIVAL STRATEGIES

The unemployed interviewed in this survey seemed to be ignorant about the status of their participation in the economy. Almost half (47,5%) of the Gauteng respondents said they were earning a living when asked if they had any source of income (Table 5.9). This figure corroborates the response of 49,3% of the Gauteng respondents that they were engaged in some form of income generation.

More than two-thirds (36,0%) of the Eastern Cape respondents answered in the affirmative when asked if they had any source of income, while 53,6% indicated involvement in income-generating activities. The difference can be attributed to the fact that the majority (91,9%) of the Cala respondents indicated that they were involved in income generation, while almost half (47,7%) said they were earning a living when asked if they had any source of income. In Port Elizabeth, 36,6% of the respondents indicated having a source of income, while 46,5% said they were generating an income (Table 5.9). The Bisho/King William's Town respondents in the Eastern Cape were the worst off, as only 21,8 indicated having a source of income, while only a quarter (26,9%) said they were involved in income generation (Table 5.9).

TABLE 5.9: MEANS OF SURVIVAL

Gauteng		**Total**		**Mamelodi**		**Soweto**		**Tembisa**		**Krugersdorp**	
		N	**%**	**N**	**%**	**N**	**%**	**N**	**%**	**N**	**%**
Source of income	Yes	159	47.5	49	58.3	67	45.0	35	43.2	8	38.1
	No	176	52.5	35	41.7	82	55.0	46	56.8	13	61.9
Total		335	100	84	100	149	100	81	100	21	100
Dependent on others		284	84.8	71	84.5	126	84.6	71	87.7	16	76.2
Income generation		165	49.3	43	51.2	79	53.0	34	42.0	9	42.9
Eastern Cape		**Total**		**Cala**		**Bisho/KWT**		**P E**			
		N	**%**	**N**	**%**	**N**	**%**	**N**	**%**		
Source of income	Yes	121	36.0	41	47.7	17	21.8	63	36.6		
	No	213	64.0	45	52.3	61	78.2	109	63.4		
Total		336	100	86	100	78	100	172	100		
Dependent on others		262	78.0	43	50.0	65	83.3	154	89.5		
Income generation		180	53.6	79	91.9	21	26.9	80	46.5		

The implication of this is that, although people are involved in income-generating activities, they do not consider themselves to be 'employed', or at least 'self-employed'. One can therefore conclude that people consider their income-generating activities as merely survival mechanisms, as transitional activities en route to being formally employed.

Although at least half the respondents indicated that they did not have a source of income, the majority (Gauteng84,8% - Eastern Cape 78%) said they survived as a result of some form of social security, charity or the support of members in their household, and remittances from family and friends living elsewhere (Table 5.9). In the following sections more light is shed on unemployed people's strategies for survival and their sources of income.

5.6.1 DEPENDENCE

Someone else in the household (a working spouse or sibling, a parent who received an old age pension) supported the majority (77,5%) of the Gauteng respondents who indicated that they were dependent on others for survival. A further 26,8% received remittances from family and friends who were living elsewhere. The remaining respondents relied on begging, charity and support from the church (19,0%), unemployment insurance payments (2,8%), disability grants (2,8%), child grants (2,5%) and payments from the Workmen's Compensation Fund (1,1%) (Table 5.10).

TABLE 5.10: DEPENDENT ON OTHERS FOR SURVIVAL

Gauteng	Total		Mamelodi		Soweto		Tembisa		Krugersdorp	
	N	%	N	%	N	%	N	%	N	%
Supported by person in the household	220	77.5	47	66.2	102	81.0	56	78.9	15	93.8
Supported by person living elsewhere	76	26.8	27	38.0	23	18.3	24	33.8	2	12.5
Begging/Charity	54	19.0	10	14.1	31	24.6	13	18.3	0	0.0
UIF	8	2.8	2	2.8	0	0.0	6	8.5	0	0.0
Disability grant	8	2.8	1	1.4	2	1.6	5	7.0	0	0.0
Family/Child grant	7	2.5	0	0.0	6	4.8	1	1.4	0	0.0
Workmen's Compensation Fund	3	1.1	0	0.0	3	2.4	0	0.0	0	0.0
Eastern Cape	**Total**		**Cala**		**Bisho/KWT**		**P E**			
	N	%	N	%	N	%	N	%		
Supported by person in the household	151	57.6	25	58.1	40	61.5	86	55.8		
Supported by person living elsewhere	102	38.9	7	16.3	23	35.4	72	46.8		
Family/Child grant	27	10.3	5	11.6	4	6.2	18	11.7		
UIF	15	5.7	8	18.6	0	0.0	7	4.5		
Disability grant	9	3.4	0	0.0	1	1.5	8	5.2		
Begging/Charity	4	1.6	2	4.7	0	0.0	2	1.3		
Workmen's Compensation Fund	2	0.8	0	0.0	0	0.0	2	1.3		

Because of higher unemployment rates in the Eastern Cape, fewer respondents (57,6%) than in Gauteng (77,5%) indicated that they could rely on support from someone else in the household (Table 5.9). The fact that more respondents (38,9%) from the Eastern Cape than from Gauteng (26,8%) received remittances from family and friends who were living elsewhere, confirms the lack of job opportunities in the Eastern Cape. This forces people to migrate to other provinces in the hope of finding work. The third most frequently mentioned source of support in the Eastern Cape was family or child grants (10,3%). A further 5,7% relied on unemployment insurance payments, disability grants (3,4%), begging, charity and support from the church (1,6%), and payments from the Workmen's Compensation Fund (0,8%) (Table 5.10).

5.6.2 INVOLVEMENT IN THE INFORMAL SECTOR OF THE ECONOMY

Apart from receiving money from employed relatives and friends, half the respondents were also engaged in income-generating activities. Of those who indicated that they were involved in money-making activities in Gauteng, 53,3% were involved in trading [selling from home (32,7%) and recycling, hawking, spaza shops, selling on the street (20,6%)] (Table 5.11). Other activities included gardening (6,7%), washing cars (6,1%), dressmaking at home (6,1%), repairing cars at home (4,7%), baking at home (3,6%), and a variety of other services (Table 5.11).

Similarly, in the Eastern Cape most money-making activities involved trading [selling from home (32,2%) and recycling, hawking, spaza shops, selling on the street (17,2%)] (Table 5.11). Other activities included dressmaking at home (13,3%), vegetable gardening (7,8%), baking at home (6,1%), repairing cars at home (4,4%), and a variety of other services.

TABLE 5.11: INCOME-GENERATING ACTIVITIES

Gauteng Activities[1]	Total		Mamelodi		Soweto		Tembisa		Krugersdorp	
	N	%	N	%	N	%	N	%	N	%
Selling from home	54	32.7	7	16.3	32	40.5	14	41.2	1	11.1
Hawking, spaza, selling on the street	34	20.6	12	27.9	15	19.0	7	20.6	0	0.0
Annuities and investments	12	7.3	1	2.3	9	11.4	1	2.9	1	11.1
Gardening	11	6.7	4	9.3	4	5.1	3	8.8	0	0.0
Washing cars	10	6.1	6	14.0	4	5.1	0	0.0	0	0.0
Dressmaking	10	6.1	1	2.3	6	7.6	2	5.9	1	11.1
Car repairs at home	7	4.2	2	4.7	4	5.1	0	0.0	1	11.1
Baking	6	3.6	1	2.3	3	3.8	2	5.9	0	0.0
Collecting/cutting/ sawing firewood to sell	2	1.2	1	2.3	1	1.3	0	0.0	0	0.0
Woodwork	2	1.2	0	0.0	1	1.3	0	0.0	1	11.1
Typing at home	1	0.6	0	0.0	1	1.3	0	0.0	0	0.0

[1]Does not include activities with less than a percentage point representation.

Eastern Cape Activities[1]	Total		Cala		Bisho/KWT		P E	
	N	%	N	%	N	%	N	%
Selling from home	58	32.2	22	27.8	8	38.1	28	35.0
Hawking, spaza, selling on the street	31	17.2	19	24.1	3	14.3	9	11.3
Dressmaking	24	13.3	13	16.5	2	9.5	9	11.3
Gardening	14	7.8	8	10.1	2	9.5	4	5.0
Baking at home	11	6.1	4	5.1	2	9.5	5	6.3
Car repairs at home	8	4.4	2	2.5	1	4.8	5	6.3
Annuities and investments	5	2.8	0	0.0	0	0.0	5	6.3
Typing at home	5	2.8	3	3.8	0	0.0	2	2.5
Looking after livestock	4	2.2	4	5.1	0	0.0	0	0.0
Woodwork	4	2.2	3	3.8	0	0.0	1	1.3
Washing cars	3	1.7	0	0.0	0	0.0	3	3.8
Fetching water to sell	3	1.7	0	0.0	0	0.0	3	3.8

[1]Does not include activities with less than a percentage point representation.

5.7 JOB-SEEKING ACTIVITIES OF THE RESPONDENTS

It is apparent from Table 5.12 that the respondents were keen to work – that is if they could find a job. The majority (83%) of the respondents said they were actively looking for a job. Their desperation to find employment was reflected in their willingness to take any job that came along. Most (86,9%) of the Gauteng respondents were prepared to take any job, as long as they could work, and 83,3% said they would participate in job creation projects. In the Eastern Cape almost all of the respondents (88,1%) were prepared to take any job, while even more (92,9%) were eager to participate in job creation projects.

TABLE 5.12: WILLINGNESS TO WORK

Gauteng	Total		Mamelodi		Soweto		Tembisa		Krugersdorp	
	N	%	N	%	N	%	N	%	N	%
Actively looking for a job										
Yes	280	83.6	78	92.9	122	81.9	60	74.1	20	95.2
No	54	16.1	6	7.1	26	17.4	21	25.9	1	4.8
Not specified	1	0.3	0	0.0	1	0.7	0	0.0	0	0.0
Total	335	100	84	100	149	100	81	100	21	100
Prepared to take any job										
Yes	288	86.9	73	83.2	124	87.7	71	87.7	20	95.2
No	37	9.5	8	14.1	21	8.6	7	8.6	1	4.8
Not specified	10	3.6	3	2.7	4	3.7	3	3.7	0	0.0
Total	335	100	84	100	149	100	81	100.0	21	100
Participate in job creation										
Yes	279	83.3	68	81.0	116	77.9	75	92.6	20	95.2
No	10	3.0	0	0.0	4	2.7	5	6.2	1	4.8
Not specified	46	13.7	16	19.0	29	19.5	1	1.2	0	0.0
Total	335	100	84	100	149	100	81	100	21	100

Eastern Cape	Total		Cala		Bisho/KWT		P E	
	N	%	N	%	N	%	N	%
Actively looking for a job								
Yes	279	83.0	79	91.9	65	83.3	135	78.5
No	54	16.1	7	8.1	11	14.1	36	20.9
Not specified	3	0.9	0	0.0	2	2.6	1	0.6
Total	336	100	86	100	78	100	172	100
Prepared to take any job								
Yes	296	88.1	77	89.5	78	100	141	82.0
No	35	10.4	4	4.7	0	0.0	31	18.0
Not specified	5	1.5	5	5.8	0	0.0	0	0.0
Total	336	100	86	100	78	100	172	100
Participate in job creation								
Yes	312	92.9	78	90.7	70	89.7	164	95.3
No	13	3.9	8	9.3	0	0.0	5	2.9
Not specified	11	3.3	0	0.0	8	10.3	3	1.7
Total	336	100	86	100	78	100	172	100

5.7.1 WAYS OF SEARCHING

When asked how they were searching for a job, it emerged that most of the respondents relied on their family and friends who were employed to inform them of vacancies and/or put in a word for them with their employers (Table 5.13). Newspapers were a valuable resource in the search, as more than half of the respondents indicated using the press. A substantial number of the unemployed, especially in Mamelodi (52,4%) and Bisho/King William's Town (60,3%), queued at the gates of organisations in the hope of finding a job.

TABLE 5.13: WAYS OF SEARCHING FOR A JOB[1]

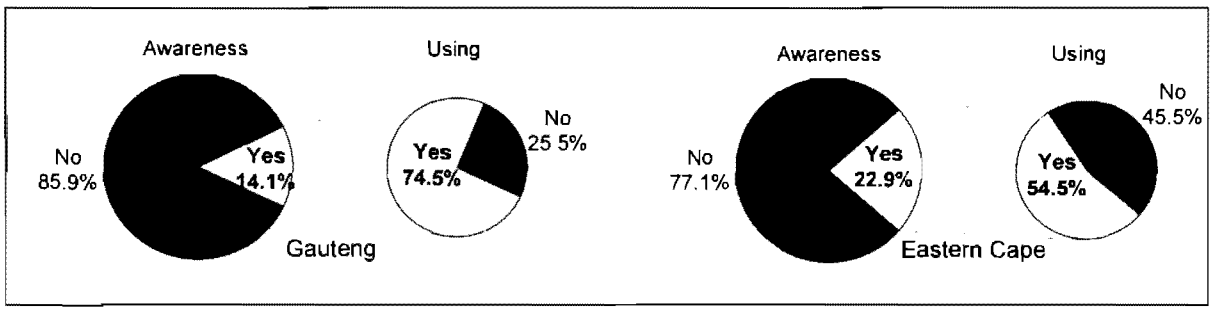
Gauteng	Total		Mamelodi		Soweto		Tembisa		Krugersdorp	
	N	%	N	%	N	%	N	%	N	%
Network of family and friends	202	60.3	39	46.4	94	63.1	55	67.9	14	66.7
Newspapers	176	52.5	35	41.7	95	63.8	26	32.1	20	95.2
Queuing, hoping to be selected	154	46.0	44	52.4	67	45.0	43	53.1	0	0.0
Registered at Department of Labour	52	15.5	10	11.9	35	23.5	5	6.2	2	9.5
Submitting résumé to companies	40	11.9	5	6.0	17	11.4	8	9.9	10	47.6
Personnel agents	36	10.7	13	15.5	21	14.1	2	2.5	0	0.0
Eastern Cape	**Total**		**Cala**		**Bisho/KWT**		**P E**			
Network of family and friends	205	61.0	66	76.7	24	30.8	115	66.9		
Newspapers	199	59.2	48	55.8	45	57.7	106	61.6		
Queuing, hoping to be selected	127	37.8	24	27.9	47	60.3	56	32.6		
Registered at Department of Labour	72	21.4	27	31.4	6	7.7	39	22.7		
Submitting résumé to companies	42	12.5	4	4.7	10	12.8	28	16.3		
Personnel agents	40	11.9	3	3.5	10	12.8	27	15.7		

[1] Multiple choice (see Question 35 in Annexure E). N = number of respondents out of sample choosing particular way of job searching, Gauteng = 335, the Eastern Cape = 336.

As can be seen in Table 5.13, being registered at the Department of Labour, submitting résumés to companies and using personnel agencies were less likely to be used in the search for a job. However, some differences between the areas were noticeable. The majority (95,2%) of the Krugersdorp respondents used newspapers to look for vacancies. Proportionally more of the Soweto (23,5%), Cala (31,4%) and Port Elizabeth (22,7%) respondents were registered with the Department of Labour.

The little use of employment agencies as a resource in job-searching activities is in line with the fact that only 14,1% of the respondents interviewed in Gauteng and 22,9% in the Eastern Cape answered in the affirmative when asked whether or not they were aware of any agencies and/or organisations that helped the unemployed to find jobs (Figure 5.5).

Figure 5.5: Awareness and using of employment services



This could point either to a lack of accessible services for the unemployed or scepticism regarding the effectiveness of such services. One of the reasons most frequently mentioned by those who were aware of the services but did not use them was that they were not effective (e.g. the agencies did not offer any help, did not respond to enquiries and there was little opportunity to see officials, as there were too many unemployed people requiring help) (Table 5.14).

TABLE 5.14: REASONS FOR NOT USING EMPLOYMENT SERVICES

Gauteng			Eastern Cape		
Reason	**N**	**%**	**Reason**	**N**	**%**
I am not interested	9	40.9	They are not effective	28	60.9
They are not effective	3	13.6	I am not interested	8	17.4
I don't have the skills they are looking for	3	13.6	I don't have the skills they are looking for	5	10.9
They ask a fee	3	13.6	They ask a fee	3	6.5
I only heard of them recently	3	13.6	I only heard of them recently	2	4.3
Other	1	4.5	Other	0	0.0
Total	22	100	Total	46	100

5.7.2 AREAS OF PREFERENCE

People prefer to work close to where they live with their families. More than half (54,3%) of the unemployed interviewed in Gauteng and almost two-thirds (62,2%) of those interviewed in the Eastern Cape indicated that they were looking for a job in their province (Table 5.15). Almost the same proportion of the respondents in the two provinces said they were looking only in the close vicinity of their homes (Gauteng 42,4% - Eastern Cape 31,0%). Several reasons were cited for their choice:

- They wanted to be with or near to their families (parents, husband or children).
- They were familiar with their surroundings (understood the languages spoken in the area, knew the people, had contacts, had patriotic feelings towards the province where they grew up).
- They believed the area was safe (less crime).
- They did not have the financial means to travel to other provinces in search of a job or to pay the transport fees to get to their workplaces.

TABLE 5.15: AREA OF PREFERENCE

Gauteng	Total		Mamelodi		Soweto		Tembisa		Krugersdorp	
Area of preference[1]	N	%	N	%	N	%	N	%	N	%
Close to home	142	42.4	52	61.9	62	41.6	17	21.0	11	52.4
In the province	182	54.3	39	46.4	67	45.0	66	81.5	10	47.6
Mpumalanga	9	2.7	6	7.1	1	0.7	1	1.2	1	4.8
Northern Province	7	2.1	5	6.0	0	0.0	2	2.5	0	0.0
North West	6	1.8	5	6.0	0	0.0	0	0.0	1	4.8
KwaZulu Natal	4	1.2	0	0.0	1	0.7	2	2.5	1	4.8
Eastern Cape	3	0.9	1	1.2	2	1.3	0	0.0	0	0.0
Northern Cape	2	0.6	1	1.2	1	0.7	0	0.0	0	0.0
Western Cape	2	0.6	0	0.0	2	1.3	0	0.0	0	0.0
Free State	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Countrywide	22	6.6	6	7.1	13	8.7	2	2.5	1	4.8

Eastern Cape	Total		Cala		Bisho/KWT		P E	
Area of preference[1]	N	%	N	%	N	%	N	%
Close to home	104	31.0	9	10.5	5	6.4	90	52.3
In the province	209	62.2	70	81.4	50	64.1	89	51.7
Western Cape	25	7.4	10	11.6	6	7.7	9	5.2
Gauteng	23	6.8	12	14.0	5	6.4	6	3.5
Free State	4	1.2	3	3.5	0	0.0	1	0.6
Mpumalanga	3	0.9	0	0.0	1	1.3	2	1.2
Northern Cape	1	0.3	0	0.0	0	0.0	1	0.6
KwaZulu Natal	1	0.3	1	1.2	0	0.0	0	0.0
Northern Province	1	0.3	0	0.0	1	1.3	0	0.0
North West	0	0.0	0	0.0	0	0.0	0	0.0
Countrywide	55	16.4	18	20.9	27	34.6	10	5.8

[1] Multiple choice (see Question 36 in Annexure E). N = number of respondents out of sample choosing particular area of preference, Gauteng = 335, the Eastern Cape = 336.

Those who were looking for a job in other provinces did so because they believed there were better opportunities there, and/or they did not have any strings tying them to where they were currently living. Notably more Eastern Cape respondents than Gauteng respondents indicated that they were looking for a job in other provinces – or even countrywide – as they were so desperately in need of employment that they would work anywhere. This is in line with the high unemployment rate (48,4%) in the Eastern Cape (Paragraph 4.2.3). The Eastern Cape respondents were looking for jobs mainly in the Western Cape and in Gauteng. The few respondents who were willing to work in other provinces, but were living in Gauteng, were looking for jobs mainly in Mpumalanga and the Northern Province (Table 5.15).

5.7.3 DISCOURAGED WORK SEEKERS

As few as 16% of the unemployed respondents indicated that they had not actively looked for a job in the four weeks prior to the interview (Table 5.12). A fifth (20,4%) of those who were not actively looking for a job in Gauteng and a third (33,8%) of those in the Eastern Cape, said they were not looking for work as they had become discouraged by the fact that there were no jobs available (Table 5.16).

TABLE 5.16: REASONS FOR NOT LOOKING FOR A JOB

Gauteng	Total		Mamelodi		Soweto		Tembisa		Krugersdorp	
	N	%	N	%	N	%	N	%	N	%
Financial constraints	11	20.4	2	33.3	6	23.1	3	14.3	0	0.0
Discouraged	11	20.4	0	0.0	4	15.4	6	28.6	1	100
Health problems	5	9.3	0	0.0	2	7.7	3	14.3	0	0.0
Do not have an ID	4	7.4	0	0.0	2	7.7	2	9.5	0	0.0
Small business	3	5.6	0	0.0	2	7.7	1	4.8	0	0.0
Writing exams/want to further studies	3	5.6	1	16.7	2	7.7	0	0.0	0	0.0
Part-time/Odd jobs	2	3.7	0	0.0	0	0.0	2	9.5	0	0.0
Busy with artwork	1	1.9	1	16.7	0	0.0	0	0.0	0	0.0
Other reasons	10	18.5	1	16.7	6	23.1	3	14.3	0	0.0
Not specified	4	7.4	1	16.7	2	7.7	1	4.8	0	0.0
Total	54	100	6	100	26	100	21	100	1	100

Eastern Cape	Total		Cala		Bisho/KWT		P E	
	N	%	N	%	N	%	N	%
Discouraged	22	40.7	5	71.4	8	72.7	9	25.0
Writing exams/want to further studies	5	9.3	0	0.0	1	9.1	4	11.1
Health problems	5	9.3	1	14.3	0	0.0	4	11.1
Financial constraints	3	5.6	0	0.0	0	0.0	3	8.3
Small business	2	3.7	1	14.3	0	0.0	1	2.8
Busy with artwork	1	1.9	0	0.0	1	9.1	0	0.0
Part-time/Odd jobs	1	1.9	0	0.0	0	0.0	1	2.8
Other reasons	8	14.8	0	0.0	0	0.0	8	22.2
Not specified	7	13.0	0	0.0	1	9.1	6	16.7
Total	54	100	7	100	11	100	36	100

When asked what they thought prevented them from getting a job, a third of the respondents mentioned a lack of education, low skills levels and little work experience as disadvantages (Table 5.17). It was especially the Mamelodi respondents (45,2%) and those living in the Bisho/King William's Town area (50,0%) who were concerned about their low educational levels.

TABLE 5.17: WHAT PREVENTS THE UNEMPLOYED FROM GETTING A JOB

Gauteng	Total		Mamelodi		Soweto		Tembisa		Krugersdorp	
Reason	N	%	N	%	N	%	N	%	N	%
Lack of education/skills/experience	107	31.9	38	45.2	52	34.9	15	18.5	2	9.5
Shortage of job opportunities	57	17.0	12	14.3	19	12.8	22	27.2	4	19.0
Too many foreigners	32	9.6	4	4.8	20	13.4	8	9.9	0	0.0
Discrimination	22	6.6	0	0.0	7	4.7	1	1.2	14	66.7
Nothing	16	4.8	6	7.1	5	3.4	5	6.2	0	0.0
Government	8	2.4	1	1.2	5	3.4	2	2.5	0	0.0
Not having contacts	8	2.4	1	1.2	6	3.9	1	1.2	0	0.0
Nepotism	7	2.1	2	2.4	2	1.3	3	3.7	0	0.0
Economic instability	7	2.1	1	1.2	3	2.0	3	3.7	0	0.0
Being reluctant to seek work	6	1.8	1	1.2	3	2.0	2	2.5	0	0.0
I think employers think I am too old	6	1.8	1	1.2	4	2.7	0	0.0	1	4.8
Having bad luck	2	0.6	0	0.0	0	0.0	2	2.5	0	0.0
Don't know	8	2.4	1	1.2	2	1.3	5	6.2	0	0.0
Other	21	6.3	9	10.7	7	4.7	5	6.2	0	0.0
Subtotal	332	99.1	83	98.8	149	100	79	97.5	21	100
No response	3	0.9	1	1.2	0	0.0	2	2.5	0	0.0
Total	335	100	84	100	149	100	81	100	21	100

Eastern Cape	Total		Cala		Bisho/KWT		P E	
	N	%	N	%	N	%	N	%
Shortage of job opportunities	118	35.1	29	33.7	26	33.3	63	36.6
Lack of education/skills/experience	95	28.3	14	16.3	39	50.0	42	24.4
Government	15	4.5	13	15.1	1	1.3	1	0.6
Nepotism	12	3.6	0	0.0	0	0.0	12	7.0
Nothing	10	3.0	2	2.3	2	2.6	6	3.5
Too many foreigners	8	2.4	6	7.0	1	1.3	1	0.6
Not having contacts	7	2.1	3	3.5	1	1.3	3	1.7
Being reluctant to seek work	7	2.1	2	2.3	2	2.6	3	1.7
I think employers think I am too old	7	2.1	1	1.2	2	2.6	4	2.3
Economic instability	6	1.8	2	2.3	0	0.0	4	2.3
Discrimination	4	1.2	1	1.2	0	0.0	3	1.7
Having bad luck	4	1.2	0	0.0	0	0.0	4	2.3
Don't know	5	1.5	1	1.2	0	0.0	4	2.3
Other	17	5.1	7	8.1	2	2.6	8	4.7
Subtotal	331	98.5	83	96.5	78	100	170	98.8
No response	5	1.5	3	3.5	0	0.0	2	1.2
Total	336	100	86	100	78	100	172	100

Double the proportion (35,1%) of respondents in the Eastern Cape than in Gauteng (17,0%) felt that the shortage of job opportunities in the surrounding areas where they lived, overpopulation and the high unemployment rate, made it very difficult to find work. This is in line with the fact that the unemployment rate in the Eastern Cape was at 48,4% almost double

than that of Gauteng (28,2%) at the time of the study. In Gauteng, Tembisa respondents (27,2%) were the most affected by the lack of job opportunities. In the Eastern Cape it was especially the Port Elizabeth respondents (36,6%) who felt that there were no jobs available. However, the Cala (33,7%) and Bisho/King William's Town (33,3%) respondents were almost equally as concerned.

As can be seen in Table 5.17, various other reasons for not being able to find a job were also mentioned (e.g. discrimination and nepotism, not having contacts, too many foreigners and the government being unable to keep election promises). The white respondents in the Krugersdorp area particularly felt that discriminatory employment practices prevented them from getting jobs.

The majority of the unemployed interviewed in the survey did not blame anybody for their being unemployed. When asked if they blamed anyone, a third of the respondents replied in the affirmative (Gauteng 35,2% and the Eastern Cape 32,4%) (Table 5.18).

TABLE 5.18: BLAMING SOMEBODY FOR BEING UNEMPLOYED

Gauteng	**Total**		**Mamelodi**		**Soweto**		**Tembisa**		**Krugersdorp**	
	N	**%**	**N**	**%**	**N**	**%**	**N**	**%**	**N**	**%**
Yes	118	35.2	26	31.0	55	36.9	29	35.8	8	38.1
No	216	64.5	57	67.9	94	63.1	52	64.2	13	61.9
No response	1	0.3	1	1.2	0	0.0	0	0.0	0	0.0
Total	335	100	84	100	149	100	81	100	21	100
Eastern Cape	**Total**		**Cala**		**Bisho/KWT**		**P E**			
	N	**%**	**N**	**%**	**N**	**%**	**N**	**%**		
Yes	109	32.4	38	44.2	16	20.5	56	32.6		
No	224	66.7	48	55.8	61	78.2	115	66.9		
No response	3	0.9	0	0.0	1	1.3	1	0.6		
Total	336	100	86	100	78	100	172	100		

More than half (59,3%) of the Gauteng respondents and the majority (73,4%) of those in the Eastern Cape who held someone else responsible for their unemployed status, blamed the government (Table 5.19). More than half (57,1%) of the Gauteng respondents and the majority (83,8%) of the Eastern Cape respondents who blamed the government, felt that the government had not kept the job creation promises made during the 1994 elections.

TABLE 5.19: BLAMING GOVERNMENT FOR BEING UNEMPLOYED

Gauteng	**Total**		**Mamelodi**		**Soweto**		**Tembisa**		**Krugersdorp**	
	N	**%**	**N**	**%**	**N**	**%**	**N**	**%**	**N**	**%**
Blaming government	70	59.3	18	69.2	37	67.3	10	34.5	5	62.5
Reasons										
For not keeping promises	40	57.1	13	72.2	20	54.1	7	70.0	0	0.0
Nepotism/Discrimination	8	11.4	3	16.7	0	0.0	0	0.0	5	100.0
Allowing immigrants	8	11.4	0	0.0	7	18.9	1	10.0	0	0.0
Economic policies	7	10.0	0	0.0	5	13.5	2	20.0	0	0.0
Retrenchments	4	5.7	1	5.6	3	8.1	0	0.0	0	0.0
Old government	3	4.3	1	5.6	2	5.4	0	0.0	0	0.0
Total	70	100	18	100	37	100	10	100	5	100

Eastern Cape	Total		Cala		Bisho/KWT		P E	
	N	%	N	%	N	%	N	%
Blaming government	80	73.4	35	92.1	12	75.0	33	58.9
Reasons								
For not keeping promises	67	83.8	31	88.6	8	66.7	28	84.8
Retrenchments	6	7.5	2	5.7	2	16.7	2	6.1
Does not provide support for higher education	3	3.8	0	0.0	2	16.7	1	3.0
Nepotism/Discrimination	3	3.8	2	5.7	0	0.0	1	3.0
The old government	1	1.3	0	0.0	0	0.0	1	3.0
Total	80	100	35	100	12	100	33	100

The rest (Gauteng 46,7% and the Eastern Cape 26,6% – see Table 5.20) attributed their unemployed status to the following people/groups:

- Employers for implementing discriminatory practices, unfair dismissals and for employing cheap labourers (17,8% and 11,0% for the respective provinces).
- A specific person, such as a parent, for not providing sufficient resources for education; someone who did not bring word about a vacancy; and themselves for not having good enough qualifications or for being reluctant to look for a job (Gauteng 12,7% and the Eastern Cape 8,3%).
- Unions for making workers strike, or for being too weak to prevent management from retrenching workers (4,2% and 2,8%).
- Whites for still believing in apartheid and for not hiring people as domestic workers because of their fear of crime (3,4% in Gauteng and 3,7% in the Eastern Cape).

TABLE 5.20: BLAMING OTHERS FOR BEING UNEMPLOYED

Gauteng	Total		Mamelodi		Soweto		Tembisa		Krugersdorp	
	N	%	N	%	N	%	N	%	N	%
Blaming government	70	59.3	18	69.2	37	67.3	10	34.5	5	62.5
Employers	21	17.8	1	3.8	6	10.9	11	37.9	3	37.5
Specific person	15	12.7	4	15.4	8	14.5	3	10.3	0	0.0
Unions	5	4.2	1	3.8	1	1.8	3	10.3	0	0.0
Whites	4	3.4	2	7.7	1	1.8	1	3.4	0	0.0
Not specified	3	2.5		0.0	2	3.6	1	3.4	0	0.0
Total	118	100	26	100	55	100	29	100	8	100
Eastern Cape	**Total**		**Cala**		**Bisho/KWT**		**P E**			
	N	%	N	%	N	%	N	%		
Blaming government	80	73.4	35	92.1	12	75.0	33	58.9		
Employers	12	11.0	0	0.0	0	0.0	12	21.4		
Specific person	9	8.3	1	2.6	3	18.75	5	8.9		
Whites	4	3.7	0	0.0	0	0.0	4	7.1		
Unions	3	2.8	1	2.6	1	6.25	1	1.8		
Not specified	1	0.9	1	2.6	0	0.0	1	1.8		
Total	109	100	38	100	16	20.5	56	100		

5.8 EXPECTATIONS WITH REGARD TO EMPLOYMENT

As previously mentioned, most of the respondents were actively looking for jobs (83% in both provinces), were prepared to take any job (Gauteng 86,9% – Eastern Cape 88,1%) and would participate in job creation programmes (83,3% and 92,9% respectively) (Table 5.12). The respondents were, however, less inclined to take up a job where they would have to do manual work (Paragraph 5.8.1). When asked what minimum monthly income they would accept if they found a job, they responded quite modestly (Paragraph 5.8.2).

5.8.1 JOB INTEREST

The respondents reacted overwhelmingly positively when they were asked if they would take any job that came their way. However, when they had to choose between four broad areas of work interest, a pattern of job preferences emerged. Manual work was the least favoured option, as almost half (41,1%) of the respondents would not be prepared to do such work (Table 5.21). Rendering personal services and working as part of a team under supervision (73,9%), doing routine office work (65,7%), and using new ideas and being innovative (56,5% of the respondents) were the three job areas in which the respondents would rather work.

TABLE 5.21: JOB INTEREST

	Services		Office work		Using new ideas		Manual work	
	Responses	%	Responses	%	Responses	%	Responses	%
Not at all	90	9.0	60	17.9	331	19.8	687	41.1
Maybe	172	17.1	55	16.4	396	23.7	298	17.8
Definitely	741	73.9	22	65.7	946	56.5	688	41.1
Total	1003	100	335	100	1673	100	1673	100

The four broad areas of job interest are based on Prediger's (1982:261) factor model *data/ideas* and *things/people* to measure vocational interest. His abbreviated definitions of the categories are presented below:

- *Ideas tasks*: Intrapersonal tasks involving abstractions, theories, knowledge, insights and new ways of expressing something (e.g. with words, equations or music).
- *Data tasks*: Impersonal tasks involving facts, records, files, numbers and systematic procedures for assisting goods/services consumption by people.
- *People tasks*: Interpersonal tasks such as caring for, persuading, entertaining or directing others.
- *Things tasks*: Non-personal tasks involving machines, materials, tools, and so forth.

Based on these four broad areas of job interest, the respondents were asked to indicate in respect of 21 items to what extent they would be willing to accept work. The SPSS was used

to perform factor analysis. The eigenvalues of the correlation matrix were extracted using *principal axis factoring*. The number of factors was not specified. Rotation was done using the *direct oblimon procedure*. Table 5.22 reflects the eigenvalues of the correlation matrix for the Gauteng sample. Four factors realised for this group.

TABLE 5.22: EIGENVALUES OF THE CORRELATION MATRIX FOR THE GAUTENG SAMPLE

	Initial eigenvalues			Rotation sums of squared loadings
Items	**Total**	**% of Variance**	**Cumulative %**	**Total**
1. Using hands to do manual work	4.555	21.689	21.689	3.551
2. Doing clerical routine work in an office	3.460	16.478	38.167	2.951
3. Rendering a personal service to people	1.440	6.856	45.023	2.712
4. Using new ideas to be innovative	1.288	6.134	51.158	1.358
5. Working in an environment where you get dirty	1.092	5.202	56.359	
6. Working in environment with high temperature	1.050	4.999	61.359	
7. Being exposed to dust, fumes, smoke, etc.	0.924	4.399	65.757	
8. Doing physically strenuous work	0.808	3.847	69.605	
9. Working under supervision of another person	0.790	3.763	73.367	
10. Working with other people in a team	0.695	3.309	76.677	
11. Taking risks when you make decisions	0.619	2.946	79.622	
12. Planning activities to make money	0.595	2.831	82.454	
13. Leading projects and team activities	0.588	2.802	85.255	
14. Taking care of people	0.534	2.541	87.797	
15. Training or educating people	0.521	2.481	90.278	
16. Entertaining people	0.490	2.332	92.610	
17. Rendering escort services / sex work	0.416	1.983	94.593	
18. Sitting in an office sorting papers	0.347	1.654	96.247	
19. Doing practical routine office work	0.313	1.489	97.736	
20. Taking/Checking stock in a warehouse	0.286	1.363	99.099	
21. Typing documents using office machines	0.189	.901	100.000	

The rotated factor matrix for the Gauteng sample is reported in Table 5.23. According to the results, four factors were extracted.

- The first factor can be identified as an *office routine* factor (relates to items that described preferred work activities of a routine nature in an office setting, e.g. Items 2, 18, 19, 20 and 21).
- The second factor can be defined as a *manual/physical* factor (relates to items that described preferred work activities of a manual and physical nature, e.g. Items 1, 5, 6, 7, 8, and 17).
- The third factor can be defined as an *enterprising/social* factor (relates to items that described preferred work activities of an innovative and enterprising nature, as well as teaching, e.g. 4, 11, 12, 13 and 15).

- The last factor can be identified as a *subservient/service* factor (relates to items that described preferred work activities where respondents are willing to work as part of a team and under supervision, as well as rendering a service, e.g. Items 3, 9 and 10).

TABLE 5.23: ROTATED PATTERN MATRIX WITH FACTOR LOADINGS FOR THE GAUTENG SAMPLE

Items	Factor 1	Factor 2	Factor 3	Factor 4
1. Using hands to do manual work	-0,058	0,467	0,096	0,080
2. Doing clerical routine work in an office	0,547	-0,128	0,237	-0,011
3. Rendering a personal service to people	0,120	0,089	0,175	0,311
4. Using new ideas to be innovative	0,010	-0,064	0,532	0,078
5. Working in an environment where you get dirty	-0,050	0,697	-0,132	0,274
6. Working in environment with high temperature	-0,025	0,830	-0,059	-0,026
7. Being exposed to dust, fumes, smoke, etc.	-0.006	0,821	-0,091	-0,005
8. Doing physically strenuous work	-0,009	0,751	-0,137	-0,000
9. Working under supervision of another person	0,020	0,071	0,037	0,511
10. Working with other people in a team	0,019	-0,023	0,228	0,451
11. Taking risks when you make decisions	-0,028	0,043	0,470	0,077
12. Planning activities to make money	0,071	-0,112	0,542	0,181
13. Leading projects and team activities	0,092	-0,081	0,629	0,022
14. Taking care of people	0,203	0,104	0,002	0,186
15. Training or educating people	0,233	0,112	0,374	-0,044
16. Entertaining people	0,164	0,195	0,182	-0,012
17. Rendering escort services / sex work	-0,016	0,291	0,220	-0,097
18. Sitting in an office sorting papers	0,901	-0,130	-0,230	0,193
19. Doing practical routine office work	0,846	-0,093	-0,083	0,128
20. Taking/Checking stock in a warehouse	0,599	0,102	0,144	-0,069
21. Typing documents using office machines	0,551	-0,050	0,280	-0,239

The eigenvalues of the correlation matrix for the Eastern Cape sample are reported in Table 5.24. Four factors also realised for this group.

TABLE 5.24: EIGENVALUES OF THE CORRELATION MATRIX FOR THE EASTERN CAPE SAMPLE

	Initial eigenvalues			Rotation sums of squared loadings
Items	Total	% of Variance	Cumulative %	Total
1. Using hands to do manual work	5.384	25.637	25.637	4.191
2. Doing clerical routine work in an office	3.000	14.288	39.925	2.451
3. Rendering a personal service to people	1.904	9.066	48.990	3.069
4. Using new ideas to be innovative	1.340	6.382	55.373	1.314
5. Working in an environment where you get dirty	1.165	5.548	60.920	
6. Working in environment with high temperature	0.962	4.583	65.503	
7. Being exposed to dust, fumes, smoke, etc.	0.846	4.029	69.532	
8. Doing physically strenuous work	0.742	3.532	73.065	
9. Working under supervision of another person	0.683	3.254	76.319	
10. Working with other people in a team	0.648	3.084	79.403	
11. Taking risks when you make decisions	0.619	2.946	82.349	
12. Planning activities to make money	0.572	2.723	85.071	
13. Leading projects and team activities	0.522	2.484	87.555	

Items	Initial eigenvalues			Rotation sums of squared loadings
	Total	% of Variance	Cumulative %	Total
14. Taking care of people	0.455	2.165	89.720	
15. Training or educating people	0.412	1.960	91.680	
16. Entertaining people	0.397	1.892	93.572	
17. Rendering escort services / sex work	0.354	1.687	95.259	
18. Sitting in an office sorting papers	0.327	1.555	96.814	
19. Doing practical routine office work	0.274	1.305	98.118	
20. Taking/Checking stock in a warehouse	0.263	1.253	99.372	
21. Typing documents using office machines	0.132	0.628	100.000	

The rotated factor matrix for the Eastern Cape sample is reported in Table 5.25. Similar to the Gauteng sample, four factors were extracted:

- The first factor can also be defined as an *office routine* factor [relates to items that described preferred work activities of a routine nature in an office setting (e.g. Items 2, 18, 19 and 20)]. However, the respondents in this sample saw those items relating to the rendering of personal services (Items 3, 14, 15 and 16) as part of office routine activities.
- The second factor can be identified as a *manual/physical* factor [relates to items that described preferred work activities of a manual and physical nature (e.g. Items 1, 5, 6, 7 and 8)].
- The third factor can be identified as an *enterprising/social* factor [relates to items that described preferred work activities of an innovative, enterprising and leadership nature (e.g. Items 4, 11, 12 and 13), as well as teaching and entertaining (Items 15 and 16)].
- The last factor can be described as a *subservient factor* [relates to items that described preferred work activities where the respondents were willing to work as part of a team (Item 9) and under supervision (Item 10)].

TABLE: 5.25: ROTATED PATTERN MATRIX WITH FACTOR LOADINGS FOR THE EASTERN CAPE SAMPLE

Items	Factor 1	Factor 2	Factor 3	Factor 4
1. Using hands to do manual work	-0,066	0,395	0,157	0,059
2. Doing clerical routine work in an office	0,713	-0,064	0,124	0,080
3. Rendering a personal service to people	0,555	0,086	-0,037	0,146
4. Using new ideas to be innovative	0,030	0,000	0,638	-0,58
5. Working in an environment where you get dirty	-0,106	0,636	0,097	0,146
6. Working in environment with high temperature	-0,036	0,803	-0,027	-0,015
7. Being exposed to dust, fumes, smoke, etc.	-0,005	0,720	-0,061	0,051
8. Doing physically strenuous work	0,021	0,714	-0,113	-0,050
9. Working under supervision of another person	0,080	0,091	0,032	0,648
10. Working with other people in a team	0,082	-0,047	0,101	0,634
11. Taking risks when you make decisions	-0,026	0,160	0,536	0,118
12. Planning activities to make money	0,018	-0,049	0,679	0,155
13. Leading projects and team activities	0,121	-0,013	0,517	0,240
14. Taking care of people	0,311	0,096	-0,150	0,019
15. Training or educating people	0,430	0,152	0,407	-0,106

Items	Factor 1	Factor 2	Factor 3	Factor 4
16. Entertaining people	0,387	0,083	0,352	-0,159
17. Rendering escort services / sex work	0,088	0,247	0,018	-0,122
18. Sitting in an office sorting papers	0,869	-0,191	0,051	-0,027
19. Doing practical routine office work	0,880	-0,143	0,059	0,020
20. Taking/Checking stock in a warehouse	0,549	-0,116	0,278	0,139
21. Typing documents using office machines	0,563	-0,101	0,255	-0,156

As can be seen from the results, more or less the same four factors as with the Gauteng sample were extracted for the Eastern Cape sample, except for a few differences on Factor 1, Factor 3 and Factor 4. For the Gauteng and the Eastern Cape samples, Item 15 (training or educating people) and Item 16 (entertaining people) was extracted as Factor 3 (*enterprising/social*). However, for the Eastern Cape sample, activities related to the rendering of a personal service (Items 3 and Items 14-16) were also extracted for Factor 1 (*office routine*). In the case of the Gauteng respondents, Item 3 (rendering a personal service) was added to Factor 4 (*subservient/service*). For both the samples, the values in all four factors for Item 17 (rendering sex work / escort services) were lower than 0,30. For the purposes of this study, only factor values of 0,30 and higher were accepted as significant (Paragraph 5.2.3.1).

5.8.2 WAGES

It appears as if the respondents did not expect to earn high salaries. This could be ascribed to the fact that they had to make ends meet with the little money currently at their disposal, or to the fact that they saw any other sources of income as supplementary to income from current activities or remittances. They might also have been realistic about the low demand for their qualifications and skills in the labour market. Two-thirds (63,6%) of the Gauteng respondents would have accepted a salary of less than R1 500 a month if employed (Table 5.26). The Krugersdorp respondents expected higher earnings, as the majority (85,6%) wanted to earn more than R2 000 a month – a third (33,3%) wanted to earn more than R3 000 a month.

TABLE 5.26: MINIMUM MONTHLY INCOME WILLING TO ACCEPT IF A JOB IS FOUND

Gauteng	Total		Mamelodi		Soweto		Tembisa		Krugersdorp	
	N	%	N	%	N	%	N	%	N	%
Less than R1000	51	15.2	17	20.2	23	15.4	11	13.6	0	0.0
R1000-R1500	162	48.4	43	51.2	77	51.7	39	48.1	3	14.3
R1501-R2 000	73	21.8	17	20.2	30	20.1	21	25.9	5	23.8
R2 001-R2 500	22	6.6	3	3.6	11	7.4	6	7.4	2	9.5
R2 501-R3 000	17	5.1	4	4.8	6	4.0	3	3.7	4	19.0
R3 001 and more	9	2.7	0	0	1	0.7	1	1.2	7	33.3
Subtotal	334	99.7	84	100	148	99.3	81	100	21	100
No response	1	0.3	0	0.0	1	0.7	0	0.0	0	0.0
Total	335	100	84	100	149	100	81	100	21	100

Eastern Cape	Total		Cala		Bisho/KWT		P E	
	N	%	N	%	N	%	N	%
Less than R1000	143	42.6	43	50	47	60.3	53	30.8
R1000-R1500	136	40.5	36	41.9	23	29.5	77	44.8
R1501-R2 000	36	10.7	5	5.8	8	10.3	23	13.4
R2 001-R2 500	5	1.5	1	1.2	0	0.0	4	2.3
R2 501-R3 000	6	1.8	1	1.2	0	0.0	5	2.9
R3 001 and more	8	2.4	0	0.0	0	0.0	8	4.7
Subtotal	334	99.4	86	100	78	100	170	98.8
No response	2	0.6	0	0.0	0	0.0	2	1.2
Total	336	100	86	100	78	100	172	100

The Eastern Cape respondents were so desperately in need of jobs that the majority (83,0%) indicated that they would accept a salary of less than R1 500 a month if employed. It was especially the Cala respondents who were in dire need of jobs (91,9% would accept a salary less than R1 500 a month) (Table 5.26).

5.8.3 JOB CREATION PROGRAMMES

The expectations that were created during South Africa's democratisation process became evident from the survey. When asked who they thought had the main responsibility for job creation, the majority of the respondents mentioned the government (Gauteng 67,8% - Eastern Cape (71,1%) (Table 5.27). In Gauteng, it was especially the Tembisa respondents (74,1%) who strongly felt that it was up to the government to create jobs. In the Eastern Cape, almost three-quarters (74,4%) of the Port Elizabeth respondents held the government responsible for job creation.

TABLE 5.27: WHO IS RESPONSIBLE FOR JOB CREATION

	Total		Mamelodi		Soweto		Tembisa		Krugersdorp	
	N = 335		N = 84		N = 149		N = 81		N = 21	
Gauteng	N	%	N	%	N	%	N	%	N	%
Government	227	67.8	59	70.2	100	67.1	60	74.1	8	38.1
Business	60	17.9	14	16.7	25	16.8	20	24.7	1	4.8
NGOs	27	8.1	4	4.8	19	12.8	4	4.9	0	0.0
Unions	11	3.3	0	0.0	7	4.7	3	3.7	1	4.8
Eastern Cape	**Total**		**Cala**		**Bisho/KWT**		**P E**			
	N = 336		N = 86		N = 78		N = 172			
	N	%	N	%	N	%	N	%		
Government	239	71.1	57	66.3	54	69.2	128	74.4		
Business	85	25.3	23	26.7	24	30.8	38	22.1		
NGOs	45	13.4	15	17.4	11	14.1	19	11.0		
Unions	20	6.0	10	11.6	5	6.4	5	2.9		

A further 17,9% of the respondents interviewed in Gauteng held the private sector responsible, while others felt that community organisations (8,1%) and unions (3,3%) should play a role in job creation (Table 5.27). A quarter (25,3%) of the Eastern Cape respondents felt that

business should be held responsible for job creation, while a further 13,4% felt that community organisations and unions (6,0%) should play a role in job creation.

The respondents were not sure what should be done but urged the government and business to create jobs through infrastructure development (building shopping centres, houses, etc.). A quarter of those who believed that the government should take responsibility for job creation said they had voted for this government because of election promises of job creation and felt that these promises should be kept.

Although as little as 11,0% of the Gauteng respondents and 16,7% of the Eastern Cape respondents were aware of job creation programmes (Table 5.28), the majority of the respondents would participate in a job creation programme if the opportunity arose (Table 5.11). It was only in Port Elizabeth that at least a quarter (25,6%) of the respondents knew about job creation projects.

TABLE 5.28: KNOWLEDGE OF JOB CREATION PROJECTS

Gauteng	Total		Mamelodi		Soweto		Tembisa		Krugersdorp	
	N	%	N	%	N	%	N	%	N	%
Yes	37	11.0	14	16.7	22	14.8	1	1.2	0	0.0
No	291	86.9	67	79.8	123	82.6	80	98.8	0	0.0
Not specified	7	2.1	3	3.6	4	2.7	0	0.0	21	100
Total	335	100	84	100	149	100	81	100	21	100
Eastern Cape	**Total**		**Cala**		**Bisho/KWT**		**P E**			
	N	%	N	%	N	%	N	%		
Yes	56	16.7	7	8.1	5	6.4	44	25.6		
No	274	81.5	76	88.4	72	92.3	126	73.3		
Not specified	6	1.8	3	3.5	1	1.3	2	1.2		
Total	336	100	86	100	78	100	172	100		

Almost half (45,9%) of those who were eager to participate in job creation projects in Gauteng would do so unconditionally (Table 5.29). A further 22,6% of the respondents who would participate in job creation programmes wanted to be informed about the conditions they would be working in, while 13,6% wanted to know the salary they would earn. The majority (67,0%) of the respondents in the Eastern Cape would be willing to participate in job creation projects unconditionally. Fewer Eastern Cape respondents – than in Gauteng – wanted to be informed about working conditions (18,9%) and the remuneration involved (9,6%).

A cautionary note was sounded by some of the respondents. They seemed to have memories of previous bad experiences with job creation programmes. Almost 10% of those willing to participate in the Eastern Cape wanted the assurance that the project was solid and registered, and that they would not have to pay a fee in order to take part (Table 5.29).

TABLE 5.29: CONDITIONS FOR PARTICIPATION IN JOB CREATION PROGRAMMES

Gauteng	Total		Mamelodi		Soweto		Tembisa		Krugersdorp	
	N	%	N	%	N	%	N	%	N	%
No conditions	128	45.9	17	25.0	42	36.2	51	68.0	18	90.0
Working conditions explained	63	22.6	28	41.2	28	24.1	6	8.0	1	5.0
What salary will be offered	38	13.6	13	19.1	18	15.5	7	9.3	0	0.0
What benefits can be expected	21	7.5	5	7.4	11	9.5	5	6.7	0	0.0
Should provide for capacity building	15	5.4	5	7.4	9	7.8	1	1.3	0	0.0
Should be solid and registered	8	2.9	0	0.0	6	5.2	2	2.7	0	0.0
Should not pay a joining fee	2	0.7	0	0.0	1	0.9	1	1.3	0	0.0
No heavy tasks	1	0.4	0	0.0	0	0.0	0	0.0	1	5.0
Other	3	1.1	0	0.0	1	0.9	2	2.7	0	0.0
Total	279	100	68	100	116	100	75	100	20	100

Eastern Cape	Total		Cala		Bisho/KWT		P E	
	N	%	N	%	N	%	N	%
No conditions	209	67.0	62	79.5	58	82.9	89	54.3
Working conditions explained	59	18.9	6	7.7	11	15.7	42	25.6
Should be solid and registered	30	9.6	7	9.0	0	0.0	23	14.0
What salary will be offered	6	1.9	0	0.0	1	1.4	5	3.0
What benefits can be expected	2	0.6	0	0.0	0	0.0	2	1.2
Should provide for capacity building	1	0.3	0	0.0	0	0.0	1	0.6
Other	5	1.6	3	3.8	0	0.0	2	1.2
Total	312	100	78	100	70	100	164	100

The few who indicated that they would not be willing to participate, echoed this negativity about job creation programmes. The majority (80,0%) of those reluctant to participate in Gauteng and almost half (46,2%) in the Eastern Cape indicated that the projects or the people running the programmes were not trustworthy (Table 5.30). A further 10% of the Gauteng respondents and a third (30,8%) of the Eastern Cape respondents did not think that job creation projects were important. A tenth (10%) in Gauteng and a quarter (23,1%) in the Eastern Cape stated that they were not educated enough to participate.

TABLE 5.30: REASONS FOR UNWILLINGNESS TO PARTICIPATE IN JOB CREATION PROGRAMMES

Gauteng	Total		Mamelodi		Soweto		Tembisa		Krugersdorp	
	N	%	N	%	N	%	N	%	N	%
Not trustworthy	8	80.0	0	0.0	3	75.0	4	80.0	1	100
Do not see the importance	1	10.0	0	0.0	1	25.0	0	0.0	0	0.0
Not educated enough to participate	1	10.0	0	0.0	0	0.0	1	20.0	0	0.0
Total	10	100	0	0.0	4	100	5	100	1	100

Eastern Cape	Total		Cala		Bisho/KWT		P E	
	N	%	N	%	N	%	N	%
Not trustworthy	6	46.2	4	50.0	0	0.0	2	40.0
Do not see the importance	4	30.8	1	12.5	0	0.0	3	60.0
Not educated enough to participate	3	23.1	3	37.5	0	0.0	0	0.0
Total	13	100	8	100	0	0.0	5	100

5.9 EXPECTATIONS OF GOVERNMENT AID AND ASSISTANCE PROGRAMMES

The view that the government was responsible for job creation was confirmed by the responses to the question on the unemployed's needs regarding government aid and assistance programmes. To the question, "Whose responsibility do you think it is to assist the unemployed, and what type of assistance do you expect?', the majority replied that the government was responsible for giving support (Gauteng 71, 9% – the Eastern Cape 72,9%) (Table 5.31). The rest felt that business (14,9% of the Gauteng respondents and 28,9% of the Eastern Cape respondents), community organisations (7,8% and 14,6% respectively) and unions (3,6% and 8,0%) should contribute to job creation, welfare, and education and training.

TABLE 5.31: RESPONSIBILITY TO ASSIST THE UNEMPLOYED

Gauteng	Total		Mamelodi		Soweto		Tembisa		Krugersdorp	
N = 335	N	%	N	%	N	%	N	%	N	%
Government	241	71.9	58	69.0	108	72.5	63	77.8	12	57.1
Business	50	14.9	7	8.3	24	16.1	19	23.5	0	0.0
NGOs	26	7.8	8	9.5	15	10.1	3	3.7	0	0.0
Unions	12	3.6	1	1.2	3	2.0	4	4.9	4	19.0
Eastern Cape	**Total**		**Cala**		**Bisho/KWT**		**P E**			
N = 336	**N**	**%**	**N**	**%**	**N**	**%**	**N**	**%**		
Government	245	72.9	57	66.3	50	64.1	138	80.2		
Business	97	28.9	22	25.6	30	38.5	45	26.2		
NGOs	49	14.6	16	18.6	20	25.6	13	7.6		
Unions	27	8.0	18	20.9	2	2.6	7	4.1		

5.9.1 SOCIAL SECURITY AND OTHER NEEDS

The support from government should either be in the form of job creation (more than half of the respondents in both provinces), welfare (e.g. food schemes, unemployment wages) or funds for education and training (Table 5.32).

TABLE 5.32: NEEDS OF THE UNEMPLOYED REGARDING THEIR NEED FOR AID AND ASSISTANCE FROM GOVERNMENT

Gauteng	Total		Mamelodi		Soweto		Tembisa		Krugersdorp	
	N	%	N	%	N	%	N	%	N	%
Create jobs	125	51.9	29	50.0	54	50.0	39	61.9	3	25.0
Contribute to welfare	31	12.9	12	20.7	11	10.2	3	4.8	5	41.7
Contribute to education and training	33	13.7	8	13.8	19	17.6	6	9.5	0	0
Small business development	18	7.5	3	5.2	10	9.3	5	7.9	0	0.0
Change employment policy	12	5.0	0	0.0	4	3.7	4	6.3	4	33.3
Encourage foreign investors	9	3.7	2	3.4	3	2.8	4	6.3	0	0.0
Encourage tourism	5	2.1	1	1.7	3	2.8	1	1.6	0	0.0
Support community organisations	4	1.7	1	1.7	2	1.9	1	1.6	0	0.0
Other	4	1.7	2	3.4	2	1.9	0	0	0	0
Total	241	100	58	100	108	100	63	100	12	100
Eastern Cape	**Total**		**Cala**		**Bisho/KWT**		**P E**			
	N	%	N	%	N	%	N	%		
Create jobs	133	54.3	32	56.1	29	58.0	72	52.2		
Contribute to welfare	73	29.8	10	17.5	16	32.0	47	34.1		
Contribute to education and training	14	5.7	6	10.5	4	8.0	4	2.9		
Small business development	14	5.7	7	12.3	1	2.0	6	4.3		
Support community organisations	4	1.6	0	0.0	0	0.0	4	2.9		
Encourage foreign investors	2	0.8	1	1.8	0	0.0	1	0.7		
Change employment policy	2	0.8	0	0.0	0	0.0	2	1.4		
Other	3	1.2	1	1.8			2	1.4		
Total	245	100	57	100	50	100	138	100		

Within each group of respondents who expected support from business, non-governmental organisations and unions, the proportions indicating each category of what was needed were very similar to the proportions in the case of those who expected support from the government. More than half the respondents felt that business should create jobs. Other needs that should be met by business in order of importance were:

- contribution to welfare
- contribution to small business development
- changing employment policies
- contribution to education/training.

The respondents in Gauteng and in the Eastern Cape felt that non-governmental organisations (NGOs) should contribute to welfare, job creation and skills development, and that NGOs should mobilise community members to help themselves. Although very few of the respondents assigned responsibilities to unions, several expectations were listed:

- to create jobs
- to re-open firms that had been closed
- to assist people to gain work skills
- to contribute to welfare
- to discourage overtime work
- to fight for workers' rights not to lose jobs/slow down wage demands
- to find work and contact the unemployed
- to loan money in order to help the unemployed to establish businesses

5.9.2 INFORMATION NEEDS

When asked what type of information they thought would help them find a job, almost a third (31,9%) of the Gauteng respondents felt that information on the availability of jobs should be published in the media (newspapers, radio and television) (Table 5.33). A further 17,3% of the Gauteng respondents felt that they had to rely on their family and friends for information regarding employment. Thirteen percent wanted career guidance, while 11,0% wanted information on relevant training programmes. Discouraged unemployed people (6,6% of the Gauteng respondents) indicated that no information would help themget jobs because there were no jobs available.

Similarly, the Eastern Cape respondents (21,7%) welcomed job advertisements in the media (Table 5.33). They were eager to get information about the availability of training programmes (14,3% of the respondents). If the training could be job related and free of charge, so much the better. The third most important type of information mentioned by the Eastern Cape respondents was that concerning career guidance (13,1%). A further 10,7% of the respondents in the Eastern Cape welcomed any relevant information on jobs (and information that would speed up the process of becoming employed).

TABLE 5.33: INFORMATION NEEDS

Gauteng	Total		Mamelodi		Soweto		Tembisa		Krugersdorp	
	N	%	N	%	N	%	N	%	N	%
Job advertisements in the media	107	31.9	36	42.9	51	34.2	1	1.2	6	28.6
Networking	58	17.3	23	27.4	21	14.1	14	17.3	0	0.0
Career guidance	44	13.1	6	7.1	17	11.4	24	29.6	10	47.6
(Free) job training	37	11.0	3	3.6	24	16.1	9	11.1	1	4.8
Any information	12	3.6	4	4.8	4	2.7	3	3.7	1	4.8
Job creation programmes	2	0.6	0	0.0	2	1.3	0	0.0	0	0.0
Other	36	10.7	8	9.5	18	12.1	10	12.3	0	0.0
Sub total	298	88.9	80	95.2	139	93.2	61	75.3	18	85.7
Information will not help	22	6.6	1	1.2	4	2.7	16	19.8	1	4.8
No response	15	4.5	3	3.6	6	4.0	4	4.9	2	9.5
Total	335	100	84	100	149	100	81	100	21	100

Eastern Cape	Total		Cala		Bisho/KWT		P E	
	N	%	N	%	N	%	N	%
Job advertisements in the media	73	21.7	32	37.2	8	10.3	33	19.2
(Free) job training	48	14.3	6	7.0	12	15.4	30	17.4
Career guidance	44	13.1	8	9.3	13	16.7	23	13.4
Any information	36	10.7	7	8.1	12	15.4	17	9.9
Networking	27	8.0	10	11.6	2	2.6	15	8.7
Job creation programmes	6	1.8	0	0.0	0	0	6	3.5
Other	25	7.4	1	1.2	4	5.1	20	11.6
Sub total	276	82.1	70	81.4	55	70.5	151	87.8
Information will not help	12	3.6	1	1.2	4	5.1	7	4.1
No response	60	17.9	16	18.6	23	29.5	21	12.2
Total	336	100	86	100	78	100	172	100

5.10 SUMMARY

The unemployed persons interviewed in the survey were relatively young; they reported relatively high levels of education and were eager to work, but felt that overpopulation and a lack of job opportunities were the main obstacles to finding a job. Almost two-thirds of the respondents had been previously employed, half of whom had worked for four years and longer. Almost a third of those who had lost their jobs had worked in the retail trade, catering and accommodation services sector, and a fifth had lost the jobs they had held in manufacturing.

Only a few of the respondents were receiving social security benefits provided by the government, leaving it to working family members to carry the major burden of providing support. The majority of the respondents reported remittances from working family or friends and parents who received pensions, as their main source of survival.

Apart from receiving money from relatives and friends, half of the respondents were also involved in income-generating activities as a means of survival and to supplement the income from remittances. They were mainly involved in retail trade activities, while only a few were trying to make a living in manufacturing.

A closer look at the results reveals substantial differences between Gauteng and the Eastern Cape and between the regions in the provinces. Because of the higher unemployment rates in the Eastern Cape, fewer respondents than in Gauteng indicated that they could rely on support from someone else in the household. More respondents from the Eastern Cape than in Gauteng received remittances from family and friends who had found work elsewhere.

Less than a quarter of the respondents knew of the existence of employment agencies and services or made use of these services to find jobs. They mostly relied on their network of employed family and friends to inform them of vacancies or to act as references or 'contacts'.

Having 'contacts' in the labour market was perceived as an important asset and entry point to the world of the employed. Furthermore, having 'contacts' to help them find a job was perceived as actively looking for a job. As little as 16% indicated that they had not actively looked for a job in the four weeks prior to the interview. It was mainly the respondents from Krugersdorp and Tembisa in Gauteng, and Cala and Bisho/King William's Town in the Eastern Cape, who mentioned discouragement as the reason for not looking for work.

When asked what they thought prevented them from getting a job, a lack of education, low skills levels and little work experience were the most frequently mentioned reasons by the Gauteng respondents, while in the Eastern Cape the main reason was the shortage of job opportunities. Double the proportion of the respondents from the Eastern Cape than in Gauteng felt that the shortage of job opportunities in the surrounding areas where they lived, overpopulation and the high unemployment rate made it very difficult to find work.

Although the unemployed reported that there were no job opportunities in the vicinity of their homes, they said they would like to work close to where they lived. However, more of the Eastern Cape than the Gauteng respondents were willing to migrate in order to find work. Most of those willing to migrate from the Eastern Cape thought that the Western Cape and Gauteng offered the best opportunities, being where industries had been established (or moved from other provinces) and where the jobs and money were.

When they were asked whose responsibility it was to create jobs, the respondents pointed to the government, as the government had promised to create jobs during the 1994 elections. They were not sure what should be done but urged the government and business to create jobs through infrastructure development. However, although eager to work, the respondents would prefer to work in an environment where they needed to render personal services, or do routine office work or be innovative, instead of doing manual work or hard labour. Apart from some resistance to manual labour, and suspicion regarding the trustworthiness of local organisers of job creation projects, they would readily participate in such projects. The majority of the respondents were not aware of employment creation programmes.

Although half of the respondents confirmed their willingness to work if jobs were created, when they were asked to indicate their needs regarding government aid and assistance programmes, almost a quarter said that the government should provide social security. The respondents also indicated a need for support to further their education or for free job-related training.

It is clear that the unemployed who were reached through this survey were responsible citizens who would like to be employed. Some of them were earning a living and could be seen as self-employed, although they apparently needed support, while others relied on remittances.

However, some of the respondents did not have any source of income whatsoever and were unable to find employment or start any form of income generation. They were discouraged by the lack of job opportunities in their area, and their lack of education and work-related skills, and thought the government should provide them with a livelihood.

CHAPTER 6

6. MODEL FOR PRIORITISATION IN SKILLS FORMATION STRATEGIES

6.1 INTRODUCTION

Poor distribution of human capital contributes to unemployment, social inequality and the further alienation of those excluded from full participation in the labour market. Inequalities in South Africa will remain and even widen if a concerted effort is not made to integrate and implement the different strategies for skills formation and job creation.

In reviewing global labour market trends, it is evident that several factors related to economic development influence the demand for workers and their skills (Chapter 2). Although many countries are experiencing economic growth and are becoming increasingly competitive, more and more workers are being retrenched, while those in employment are experiencing declining wages and job security (Paragraph 2.2). The changing world of work demands an increasingly flexible and skilled labour force as customary jobs, activities, and occupations are disappearing and being replaced by new ones. People who lose their jobs due to changes in employment practices – and those (re)entering the labour market – find that they do not have the required skills to move to the new jobs now available in a changing economy.

Consistent with trends observed in the advanced economies of the world, the pattern of activity in the South African economy has changed, which in turn has given rise to shifts in the employment structure (Chapter 3). The challenge facing South Africa in becoming globally competitive is aggravated by the fact that its labour force is predominantly low skilled (Paragraph 3.5). This can largely be attributed to the history of segregation in the provision of formal education.

Furthermore, just as different countries are in different stages of economic development, the different provinces in South Africa reflect different economic profiles (Chapter 4). The disparities can be ascribed to several factors. The existence of opportunities (or lack thereof) that can be exploited (e.g. mineral and other natural resources, geographical location) is a major determining factor in a province or region's economic development. For example, Gauteng is geographically the smallest province in South Africa, but has access to a wealth of mineral resources and is ranked the most developed and sophisticated of all the provinces in South Africa. The Eastern Cape, on the other hand, lacks mineral resources, and consists of a few relatively developed manufacturing centres and underdeveloped rural areas. Although South Africa's overall structure is that of a developed country, the location and distribution of

employment opportunities, and the availability of skills, differ significantly from province to province.

The results of a survey conducted among the unemployed generated important information, such as that unemployed people in South Africa are relatively young and that the economy is shedding jobs (especially those demanding lower skills levels), forcing people to attempt to earn a living in the informal sector of the economy (Chapter 5). The unemployed in South Africa are discouraged by the lack of job opportunities in their areas, and their own lack of education and work-related skills.

The efforts of industrialised nations to link education and training to continuous change in the development of their productive systems, provide useful examples for countries like South Africa. In some instances, these efforts yielded positive results, while others had to be abandoned (Paragraph 2.5). South Africa seems indeed to have learned from the experience of other countries, judging by the various measures that have been devised (and introduced since 1994) to enhance the skills base of the country (Paragraph 3.6).

Because South Africa's education and training system (and in some instances the industrial relations system) has been modelled on those in industrialised countries, problems of co-ordination between the systems may well occur. Co-ordinated strategic action is central to success in job creation and skills formation strategies. An integrated approach to the implementation of the different innovative policy frameworks by the responsible public service departments is needed.

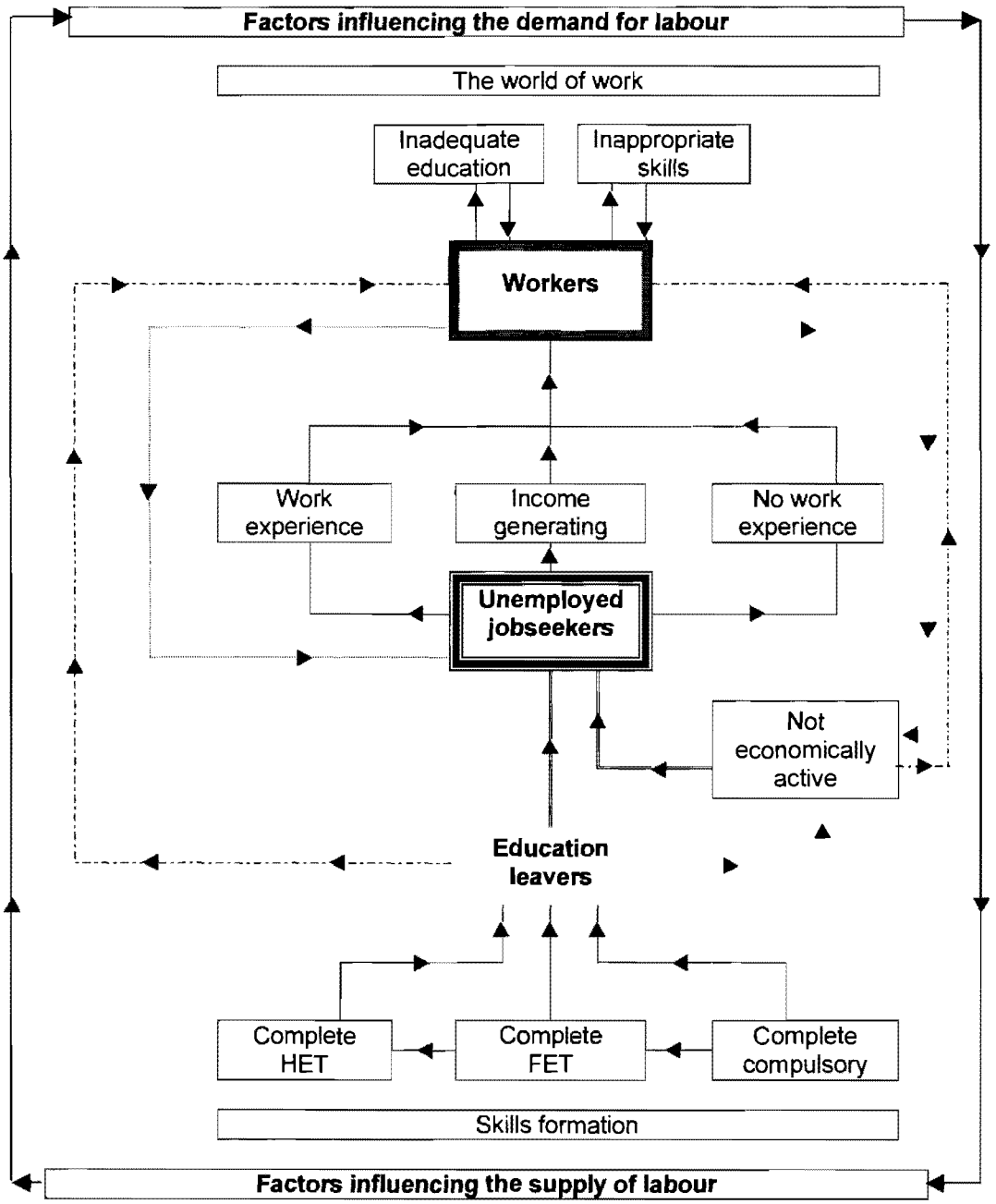
In this chapter a process model is constructed that includes those factors that may impact on the success of education and training interventions aimed at individuals with the necessary skills to create jobs for themselves and to get, keep and progress in work.

6.2 OVERVIEW OF THE MODEL

The model should be a versatile planning tool for identifying target groups, and for prioritising and implementing training for job creation strategies in the context of the socio-economic structure of South Africa and the global economy. The diagram in Figure 6.1 indicates the basic structure of the model, showing the flow of people entering the labour market. The broken lines represent those who are sure of employment as soon as they enter the labour market. The dotted lines represent workers who become unemployed. The track lines represent those who leave education and (re) enter the labour market without the prospect of a job waiting for them. The zigzag lines represent adults of working age who are not economically active.

The three outlined blocks, aligned vertically in the middle, represent the three broad groups identified for prioritisation. These are: education leavers (who need to be prepared for the world of work), unemployed jobseekers (who need to be equipped for self-reliance or (re)entry into the labour market) and workers (who need to stay abreast of constant changes in the workplace). The diagram in Figure 6.1 is highly aggregated and will be broken down into greater detail for each of the three target groups in the sections that follow.

Figure 6.1: Model for prioritisation in skills formation



Whether workers who enter the labour market become employed, is determined by the demand for the skills that they can offer to the workplace (Paragraph 3.4.4). Several factors

influence the demand for labour (Paragraph 2.3 and Paragraphs 3.3-3.5). Table 6.1 provides an overview of these factors and the effect they have on the labour market.

TABLE 6.1: FACTORS INFLUENCING THE DEMAND FOR WORKERS

Economic development (causes)	**Labour market trends (effects)**
Changes in the way the economy works • Shifts from labour-intensive production to capital-intensive processes • Shifts away from primary and secondary industries to tertiary and service sectors	Progressive destruction of jobs • Declining employment opportunities for unskilled and semiskilled workers • Increasing demand for workers with higher levels of skills
Increasing competition • Increasing use of subcontractors, suppliers and temporary workers	Flexible production and employment practices • Decline in formal job opportunities • Declining wages and job security • Increasing number of people are forced to earn a living in the informal sector
Different provinces (regions) are in different stages of economic development • Unequal distribution of resources • Apartheid development policies	Uneven distribution of employment opportunities between and within provinces • Provinces with predominantly rural areas are more severely affected by unemployment • Different unemployment rates for different population groups
• Structure of local industry clusters and local production relations differs from region to region	• The ability of the economy to absorb labour differs between different geographical areas • Different provinces/regions demand different levels of education
Economic development (effects)	**Labour market trends (causes)**
Slow economic progress • Labour force outstrip the normal labour absorption capacity of the South African economy • Increased use of technology (capital-intensive production methods) • Low productivity	Shortage of appropriately skilled workers • Relatively young labour force (rapidly increasing labour force because of high population growth rate) • Oversupply of unskilled workers • Low proportion of the labour force have attained formally examined vocational qualifications
Decreasing foreign direct investment • Extensive capital deepening • Inhibits job creation	Inflexible labour market • High minimum wages • Cumbersome dismissal procedures • Legal protection of strikes
Uneven occupational representation of the different population groups in the workplace	Unequal skills distribution between the different population groups

The skills of the workforce are an important contributor to the economic success of a country. The education and training system of a country has to be responsive to the needs of the labour

market and develop workers who can face the challenges of an ever-changing workplace (Paragraphs 2.2-2.3 and Paragraphs 3.2-3.6). Several factors influence the supply of labour. Table 6.2 provides an overview of these factors and the effect they have on skills formation. Some of these factors are further highlighted in Paragraph 6.3.

TABLE 6.2: FACTORS INFLUENCING THE SUPPLY OF WORKERS

Flaws in the education and training system	**Effects on skills formation**
Differences in past state expenditure on education for the different population groups and geographical areas • Ineffective general education and training infrastructure (condition of schools such as small/lack of classrooms and access to services such as electricity)	Backlogs in the educational levels of Africans and coloureds – relative to whites and Asians – especially at university level • Unfavourable learner:teacher ratios • Teaching aids and other electrical equipment cannot be used • Matriculation examination pass rates differ between and within provinces
Ineffective general education and training provision • Unqualified or underqualified teachers	Inadequate levels of the basic skills in mathematics, language, science and technology required by industry • Low output of graduates in mathematics and science • Insufficient generation of intermediate level skills
Absence of a vibrant vocational education and training tradition • High academic input, low vocational input	Shortage of skilled technicians and artisans in South Africa • Insufficient access to work-based training • Too few apprenticeships
No system of social or legal regulatory practices, which compels employers to provide good quality workplace training	• Lack of training by employers • South Africa lacks a strong component of lifelong learning
Lack of consensus among the key agents involved in the skills formation process	Education and training policy loosely linked to industrial policy • Oversupply of qualifications in categories where there is an oversupply of qualified people
Cumbersome bureaucracy	Change is slow

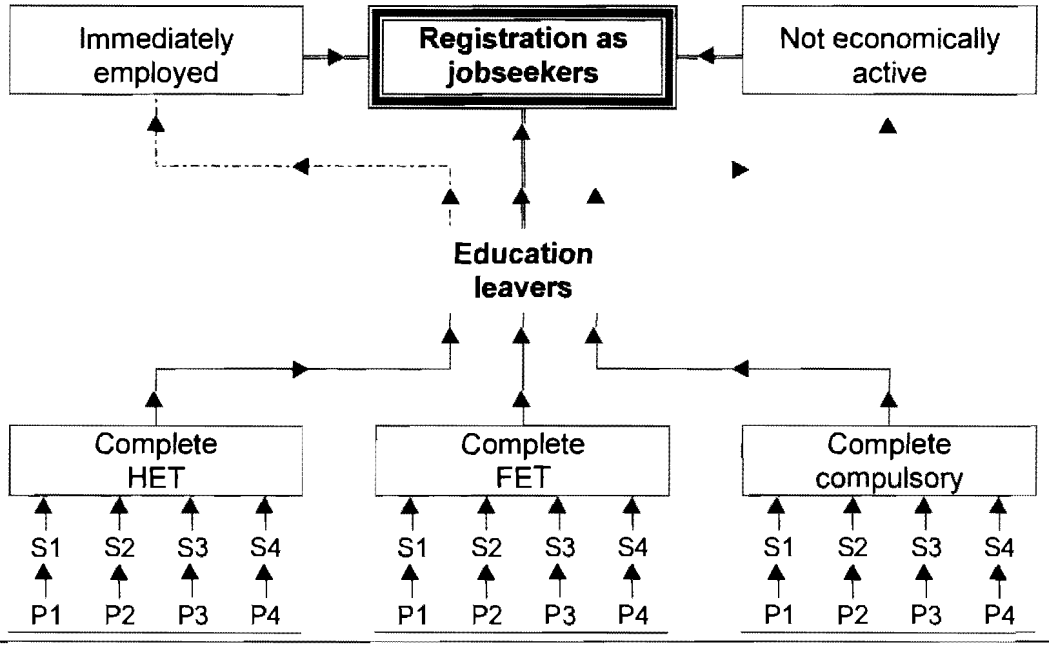
The three broad groups identified for prioritisation, namely education leavers, unemployed jobseekers and workers, will now be discussed in more detail.

6.3 PREPARING EDUCATION LEAVERS FOR THE WORLD OF WORK

Attainment early in life is important: those who complete upper secondary or tertiary education have a greater chance of achieving high levels of literacy proficiency, of being employed and of having higher earnings. The South African youth is eager to complete at least upper secondary education. However, the academically oriented high school education fails to prepare school leavers for the world of work (Paragraph 1.2 and Paragraph 3.5.3). Furthermore, careers have become less stable and less clearly delineated. It has therefore become harder to make meaningful matches between the traits of persons and occupations. The school system – especially FET providers –should provide the basic skills in mathematics, language, science and technology required by industry. The overarching aim of educational and training institutions should be to produce students who are effective, hardworking, opportunistic and creative (Paragraph 2.5.3).

Figure 6.2 focuses on the preparation of young adults for entering the labour market. They can leave the education system – to start a working career or start a family – at one of three exit points. Some leave the education system after completion of compulsory education, while others go on to complete the further education and training phase and then enter the labour market. A third group obtains higher education and training qualifications before they enter the labour market. The broken lines represent those who are sure of employment as soon as they enter the labour market. The track lines represent those who leave education and are (re)entering the labour market without the prospect of a job waiting for them. The zigzag lines represent adults of working age who are not economically active.

Figure 6.2: Preparing learners for the world of work



How ready a learner is to enter the world of work depends on the quality of education he/she receives, which is beset with problems (P) – see Table 6.2 –that should be prioritised for action steps (S). Some of these problems are now highlighted and suggestions for solving them made.

6.3.1 Problems influencing the quality of education and possible solutions

Problem statement: Too many high school students follow a social sciences curriculum; too few of those taking mathematics and science courses pass, while even fewer are enrolled in vocational education and training courses (Paragraph 3.5.3). Possible solutions include the following:

- Qualified mathematics and science teachers should be given recognition through higher salaries (otherwise they may be lost to the private sector).
- More instructional time should be devoted to subjects such as mathematics, science and technology, and working language.
- Mathematics should be compulsory up to Grade 12 level. Those who need matriculation exemption for HET enrollment can follow a higher standard course, while those following vocational courses can attend lower standard courses.

Problem statement: Young adults need career guidance to familiarise them with career options and their requirements (Paragraphs 5.8-5.9). The following steps should be considered:

- HET enrolments in the social sciences should be restricted, while enrolments in the natural and business sciences should be encouraged.
- High school curricula that stress creativity, flexibility and emotional intelligence should be introduced.

Problem statement: Members of more affluent families are better placed to finance their own training. This disparity in capacity to undertake training may not only render job opportunities and hence income distribution more unequal, but may also be inefficient – denying training to bright but poor individuals (Paragraph 5.9). Two policy options are available:

- Extending compulsory education to 12 years of formal schooling to culminate in the equivalent of a matriculation qualification.
- Introducing a training loan scheme for indigent students who cannot afford to enter the senior secondary school phase. By requiring loan repayment upon future employment, such a scheme could in principle be largely self-financing, thus in turn providing financing for the training of the next generation.

Problem statement: Learners who enter the labour market after completion of compulsory schooling lack intermediary skills, struggle to find employment and risk further alienation

(Paragraph 3.4.2 and Paragraph 4.5). A cross-cutting solution may be to register education leavers who are not sure of employment as jobseekers.

- Especially those learners who completed their compulsory schooling and are forced to enter the labour market with a compulsory school leaver's certificate should be registered as jobseekers.
- By the third quarter of the school year, every Grade 9 learner who decides not to enter FET after successful completion of exit examinations should be registered at the Department of Labour as a jobseeker. Here the school plays a crucial role in the registration process.
- Jobseekers can now be enlisted for community service, training programmes (basic and social skills training) and learnerships (FET). A programme similar to the New Deal programme introduced recently in the UK can be followed (Paragraph 2.5.1).
- Grade 9 learners who cannot afford to enter FET but have shown the ability to pursue an academic career, should be entered into a loan scheme to enable them to complete the senior secondary school phase. Especially those learners who achieved high standards in mathematics and science should be assisted to further their qualifications at institutions of higher education and training.
- Similarly, providers in the further and higher education and training bands of the NQF should be tasked with the responsibility to register education leavers. Such registration will serve several purposes:
  - Enable planning for the utilisation of school leavers in community service (as is currently the policy with graduates in the medical field)
  - Serve as a talent bank where employers can recruit qualified workers
  - Identify candidates for bursaries or loans to further their education
  - Identify young adults for entry into a New Deal programme

Catching learners as they leave education with a view to enhancing their employability will gradually improve the quality of the supply of labour in the country. However, the fact that a large percentage of South Africa's economically active population is unemployed, presents a major challenge. The second broad group that needs to be targeted for skills formation is therefore this large number of unemployed people.

6.4 PREPARING THE UNEMPLOYED FOR SELF-RELIANCE OR (RE) ENTERING THE LABOUR MARKET

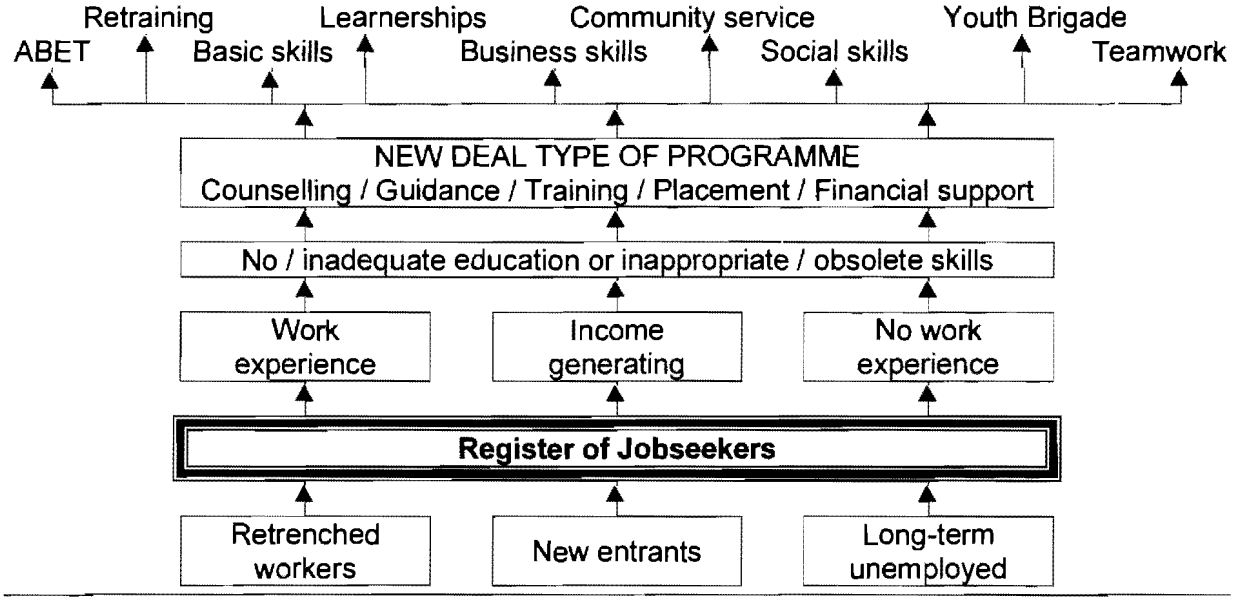
Like many other countries, South Africa is struggling with growing unemployment. The number of formal job opportunities is decreasing as the economy shifts from labour-intensive production to capital-intensive processes (Paragraph 3.4.1). Parallel to the shifting emphasis away from primary and secondary industries to tertiary and service sectors, there is a

movement within individual sectors away from unskilled and semiskilled occupations to those that require higher levels of skill. The unemployment problem is therefore aggravated by the fact that South Africa's unemployed population is predominantly low skilled (Paragraph 3.4.1, Paragraph 4.4.4 and Paragraph 5.4). A concerted effort is needed to register the unemployed and expand the job counselling and placement services of the Department of Labour (Paragraph 3.2.8.1 and Paragraph 5.7.1).

Figure 6.3 provides a framework for the identification and prioritisation of training and job placement services for the unemployed. Three target categories of unemployed people can be identified:

- Those who were previously employed, but who lost their jobs due to retrenchments.
- Those who are entering the labour market for the first time without the prospect of immediate employment, and those re-entering the labour market after a period of economic inactivity.
- Those who are in long-term unemployment.

Figure 6.3: Preparing the unemployed for (re-) employment or self-reliance



Three important factors here are firstly the identification of a classification system that can be used to organise people according to their real economic status. For example:

- persons not in formal employment but involved in income-generating or subsistence activities
- the unemployed wanting to be formally employed
- the discouraged unemployed
- those unemployed and wholly dependent on remittances from family and friends

- the unemployed with no source of income or hope of becoming employed

The second important factor concerns the manpower needed to register people – the employment offices of the Department of Labour, as well as welfare paypoints and local business service centres, could be used as registration points – and, thirdly, access to established databases.

The broad indicators for use in a classification system would include people's economic status, income levels, level of education, and previous work experience. A comprehensive labour market information system is being established under the auspices of the Department of Labour and it can be assumed that, in the process, a classification system to identify people's real economic status will be developed. This could help kick-start the registration of economically active people who are not formally employed or self-employed. Such a database – outlining the skills of the unemployed, their previous work experience, level of education and current work status – would enable the profiling of target groups for involvement in specific interventions. For example:

- Unemployed people (not involved in income generation) with low levels of education and some labour-intensive work experience, could be included in special job creation projects such as public works programmes and labour-intensive manufacturing and construction projects (Paragraph 3.8.2.5 and Paragraph 5.5).
- People who see themselves as unemployed but are involved in income-generating and subsistence activities, could be included in small business development and agricultural training programmes (Paragraph 3.8.1.2 and Paragraph 5.6.2).
- Unemployed people (not involved in income generation) with higher levels of education, could be included in youth brigade and learnership programmes (Paragraph 3.8.2.3).
- Unemployed people (not involved in income generation or job-seeking activities) with low levels of education, little or no work experience and skills and no source of income (e.g. remittances), could be supported by means of a social security system (Paragraph 3.8.2.2, Paragraphs 5.6.1 and 5.9.1).

The Department of Labour should itself give career guidance training to unemployed youths who obtained Grade 8, and register unemployed people according to the identified classification system. These trained youths could then be deployed in their own communities in the Department of Labour's employment offices, in the Department of Trade and Industry's accredited local business services centres, in other organisations that provide SMME support, and at the Department of Welfare's paypoints. Registration could even take place at church- and community-based shelters for the poor.

A computerised system is needed for registration, which should allow for networking via the Internet. Captured data should be reconciled daily with the existing database of registered unemployed persons at the Department of Labour. New registrations should be added and duplications rejected. Where registration points are not linked to a mainframe, new registrations should be faxed or phoned to locations that have access to the computerised system. The database will serve not only as a classification and registration facility, but also as a talent bank. Giving labour offices, local business centres and paypoints access to such a database will put them on the road to becoming one-stop local employment agencies.

Those who commission special job creation projects should inform mainframe data processors of the locality, scope and length of envisaged projects. This will enable employment agencies to compile a profile of local manpower that could be used on projects. The departments in charge of special job creation projects should set clear directives as to how local communities should be involved in the projects. Those interested in tendering for a project should provide a breakdown of the skills and the number of people needed for the project, and indicate how local employment agencies will be approached to obtain the manpower.

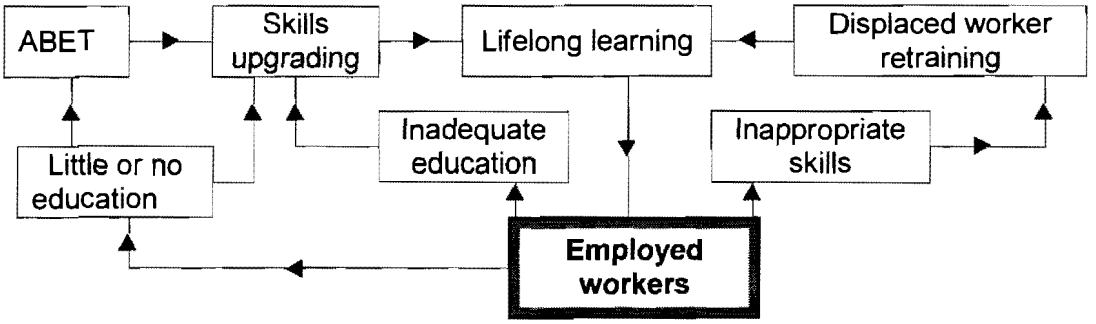
The ideas offered here are merely broad suggestions. Appropriate programme design is vital if the full benefits of strategies for job creation and skills formation are to be realised. Getting people into employment is a formidable task, and another challenge is to keep those who are in jobs employed.

6.5 ENHANCING THE SKILLS OF EMPLOYED WORKERS

There is mounting evidence of the benefits for the whole society of growth in the proportion of young people gaining qualifications at upper secondary or tertiary levels (Paragraph 3.5). However, an inflow of better-educated young people will only very gradually change the overall educational level, if not the skills level, of the existing workforce. This is currently relatively low, considering that more than two-thirds (67%) of all South African workers had the equivalent of only NQF level 1 (Grade 9) or less at the time of Census '96. Only a fifth (20%) had a Grade 12 qualification, while even fewer (13%) had tertiary qualifications (Paragraph 3.4.1). There is also a shortage of adequately trained teachers in especially mathematics and science, and many government officials lack administrative and management skills (Paragraph 3.5.3).

Figure 6.4 shows the third broad target group, namely employed workers. The objective is to provide a literate employed population capable of following basic instructions, and to improve the skills of those with inadequate and inappropriate levels of education.

Figure 6.4: Enhancing the skill levels of the currently employed



The newly adopted strategies to enhance skills formation in South Africa – especially the national qualifications framework and the skills development strategy – have created the framework for the recognition and compilation of credits through part-time studies, distance learning, and modular programmes that can address individual learning needs through a combination of learning while working and working while learning (Paragraph 3.6). Workers need to be informed about the changing world of work to help them plan ahead and make career development decisions (Paragraph 1.1 and Paragraph 4.5). This will enable workers to provide informed inputs in the development of workplace skills plans.

It is hoped that the skills development strategy will succeed in fostering skills development in the formal economy, resulting in higher productivity and economic growth. Employers should be sensitised to the need to identify workers who have inadequate education and inappropriate skills levels, and to target them for training when workplace skills plans are developed. Sector Education and Training Authorities (SETAs) should not only be responsible for the promotion of standards and training, but should take up the task of teaching employers to organise and implement training programmes effectively.

6.6 SUMMARY

Whether workers who enter the labour market become employed is determined by the demand for the skills that they can offer to the workplace. The education and training system of a country has to be responsive to the needs of the labour market and develop workers who can face the challenges of an ever-changing workplace. People who lose their jobs due to changes in employment practices – and those (re)entering the labour market – find they do not have the required skills to move to the new jobs now available in a changing economy. Furthermore, unemployed people in South Africa are often discouraged by the lack of job opportunities in their areas, and their own lack of education and work-related skills. Co-ordinated strategic action is central to the success of skills formation and job creation

strategies. This can be achieved through the identification of specific groups to be targeted for skills development and employment.

The model in this Chapter was constructed to provide a planning tool for identifying target groups, and for prioritising and implementing training for job creation strategies in the context of the socio-economic structure of South Africa. Three broad groups were identified for prioritisation, namely education leavers with no prospects of immediate employment, unemployed jobseekers and workers who are inadequately or inappropriately skilled.

Learners who enter the labour market after completion of compulsory schooling lack intermediary skills, struggle to find employment and risk further alienation. Similarly, learners who enter the labour market after completion of a postschool diploma or degree in a field of study for which there is a low demand, struggle to find employment. A cross-cutting solution may be to register education leavers who are not sure of employment as jobseekers.

Especially those learners who completed compulsory schooling and who enter the labour market with a compulsory school leaver's certificate, should be registered as jobseekers. Registered jobseekers can be enlisted for community service (Youth Brigade), training programmes (basic and social skills training) and learnerships (FET). Especially those learners who achieved high standards in mathematics and sciences should be assisted to further their qualifications at institutions of higher education and training.

With regard to the second broad target group (the unemployed), a system of registration is also proposed to identify and prioritise the provision of training and job placement services for such people. The unemployed should be registered according to an identified classification system so that targeted assistance can be given (e.g. to those who have no or little education, those who have previous work experience, but need retraining). Education leavers should be trained by the Department of Labour as volunteers to deliver a basic career guidance service in their communities.

The third broad target group is those workers who have no or little education and/or whose acquired skills are becoming obsolete. Employers should be sensitised to the need to identify workers who have inadequate education and inappropriate skills levels and to target them for training when workplace skills plans are developed.

CHAPTER 7

7. SUMMARY, FINDINGS AND RECOMMENDATIONS

7.1 INTRODUCTION

This chapter provides an overview of the previous chapters. The aims of the study and the findings of the documentary and empirical research are summarised. Recommendations are made on the basis of a framework for the integrated implementation of strategies for skills formation and job creation. Finally, recommendations for further research are offered.

7.2 SUMMARY

The purpose of the study was to investigate the structural changes taking place in the workplace, the effects thereof on the demand for human resources, and how education and training can respond to these changes for the benefit of individuals, organisations and the country as a whole.

The aims of the study were the following:

- To identify critical factors that may impact on the success of education and training interventions aimed at providing individuals with the necessary skills to create jobs for themselves and to get, keep and progress in work.
- To develop a framework for the integrated implementation of education and training interventions aimed at getting people into employment.

In Chapter 2, the focus was on how economies develop and the resulting interaction between workers' skills and the skills requirements of available jobs. The attempts of different countries to meet the requirements of their productive systems through appropriate education and training interventions were also examined. This global perspective was introduced to provide a backdrop against which South Africa's economy, labour problems and strategies to enhance human capital and create jobs were analysed in Chapter 3.

Relevant statistics were used to compile a profile of the South African economy and its labour force. Changes in sectoral gross domestic product (GDP), the number of workers currently employed, and the sectoral and occupational division of labour, level of education, unemployment and future labour market needs, were introduced and discussed. A historical background on education and training from colonisation up to the democratic elections in 1994 was provided. This overview highlighted how segregation in the provision of formal education contributed to huge disparities in the skills levels of the different population groups in South

Africa. Several innovative measures – introduced since 1994 by the democratically elected government – to enhance skills levels and job creation were discussed. Comparisons were drawn between South Africa and other countries in terms of the state of the economy, the state of the labour force, and strategies for skills development and employment creation.

In Chapter 4, the economies, labour forces and skills formation of two provinces in South Africa (Gauteng and the Eastern Cape) were examined. The fact that the two provinces are in different stages of economic development, and reveal differences in skills levels and educational output, was highlighted.

Chapter 5 described the empirical design and results of a survey conducted among the unemployed in Gauteng and the Eastern Cape. The data collected in the provinces were interpreted to determine whether low educational levels, as well as unemployed people's attitudes to, and perceptions of, certain types of work, would have an impact on the efficacy of government strategies to enhance people's skills levels and to create jobs.

In Chapter 6, a process model was constructed on the basis of the outcomes of the documentary research and the survey analysis. The factors that influence the demand for labour and the factors that might impact on the success of education and training interventions, were highlighted. This theoretical framework should provide a versatile planning tool for identifying target groups, and for prioritising and implementing skills development strategies in the context of a local socio-economic structure, as well as in the context of South Africa's socio-economic structure and the global economy.

7.3 FINDINGS

The documentary research revealed that several factors influence the demand for labour, especially with regard to the level of skills needed in relation to the stage of economic competitiveness (Chapters 2-4). It also became apparent that several factors are impeding the supply of labour (globally and in South Africa), especially in respect of the skills workers can offer to the workplace. The survey results showed that low educational levels, people's interaction with the labour market and the way job creation strategies are implemented, do indeed impact on the efficacy of strategies to enhance people's skills levels and to create jobs. These findings are summarised in the following sections.

7.3.1 FINDINGS BASED ON THE DOCUMENTARY RESEARCH

The (global) labour market is constantly changing. Many countries are experiencing economic growth and are becoming increasingly competitive, yet more and more workers are being retrenched, while those in employment are experiencing declining real wages and job security

(Paragraph 2.3). This can be attributed to the fact that economies are initially factor-driven and then become investment-driven, moving on to innovation-driven and then become wealth-driven (Paragraph 2.2). As economies evolve, they move away from labour-intensive production to capital-intensive processes. In tandem with the stage of competitive development of a country there is a shift in emphasis away from primary and secondary industries to tertiary and service sectors. This, in turn, prompts individual sectors to move away from unskilled and semiskilled occupations to those that require higher levels of skill. The factors that influence the demand for labour in South Africa, and those influencing skills formation, are now presented under separate headings. The strategies adopted to address these factors are also evaluated.

7.3.1.1 Factors influencing the demand for labour in South Africa

As part of developmental processes in the economy, the same shifts as observed in global economies are occurring in South Africa (Paragraphs 3.2-3.4). These shifts and their effects on the South African labour market can be summarised as follows:

- The pattern of activity in the South African economy has changed. The contribution of the primary sector (agriculture and mining) to the GDP has continued to drop, while that of the secondary sector (manufacturing, construction, electricity) and the tertiary sector (trade, finance, services) has increased.
- With the economy becoming increasingly investment-driven, industries in South Africa are moving away from labour-intensive production to capital-intensive processes, especially in the agriculture, mining, manufacturing and construction sectors of the economy.
- The increasing use of capital-intensive production methods lowers the demand for unskilled and semiskilled labour, and increases the demand for skilled labour. It is anticipated that job creation will take place mainly in the professional and managerial categories, while job losses will occur in the semiskilled and unskilled categories, largely because of the impact of computerisation and new technology.
- The tendency to increase productivity through the use of technology is attributed *inter alia* to a shortage of appropriately skilled workers and the rigidity of the South African labour market.
- In spite of economic growth, a decline in formal job opportunities is being experienced.
- Because of the high population growth rate in the country, the labour force is increasing rapidly, resulting in a relatively young labour force.
- With no formal employment growth to replace job losses and accommodate new entrants to the labour market, unemployment is becoming a crucial problem, placing South Africa among the countries with the highest unemployment rates in the world.

- In most of the broad industrial sectors a further decline in employment is expected in the short term.
- Decreasing trends in job creation in the formal sector mean that a growing number of people are forced to earn a living in the informal sector of the South African economy.
- The economies of the different provinces in South Africa (and the economies in the different regions of a province) are in different stages of competitive development.

7.3.1.2 Factors influencing skills formation in South Africa

The poor and uncompetitive skills profile of the South African labour force can largely be attributed to a history of segregation in the provision of formal education (Paragraph 3.5). Separate departments of education, separate schools for the different population groups and differentiated expenditure remained central to the South African education system until 1990. The factors influencing skills formation and the resulting effects on the supply of labour can be summarised as follows:

- The basis for skills formation in ordinary schools was – and still is – poor, resulting in huge disparities in the skills levels of the different population groups in South Africa.
- Too few people have achieved further education and training qualifications, and higher education and training qualifications – especially among the African, coloured and Asian population groups – while a large section of our workforce lacks basic education and training, which restricts their employability to only the most menial tasks.
- It is especially in subjects such as mathematics and science, and in the field of vocational education and training, that the South African system of education has fallen behind.
- Due to continuing low achievement in mathematics and science, and low vocational education and training outputs, skills shortages occur in the natural and management sciences, while there is an oversupply of people with skills in the social sciences.
- The education and training system is not responsive to the needs of the labour market.
- South African employers do not enhance skills in the workplace.

These factors and the extent of the malfunctioning of the South African labour market are the major reasons for setting objectives aimed at improving the quality and relevance of learning. Since South Africa's first national democratic elections in 1994, the state has issued several policy documents that are intended to democratise education and eliminate inequalities in the education system (Paragraph 3.6). Much was evidently learned from the experience of other countries in the formulation of these policies. The broad aims of the policies are presented below:

- To close the gap between education and training, and to allow for lifelong learning within the parameters of the national qualifications framework (NQF).
- To enhance the ability of learners to use and transfer their knowledge, skills and understanding to different situations by means of an outcomes-based approach to education and training.
- To reduce illiteracy rates and enhance the skills of adults who have no or little schooling through the adult basic education and training (ABET) initiative.
- To improve the responsiveness of further education and training (FET) provision to the needs of the labour market as well as to the needs for social, civic and economic development. To enhance the cost-effectiveness and efficiency of the further education and training (FET) system.
- To increase higher education enrolment and to improve the balance of enrolment in the broad study fields. The higher education and training (HET) system will be transformed to enhance regional co-operation and to reduce undue competition at regional level.
- To encourage skills development in the workplace and to promote learnerships (apprenticeships) by imposing a training levy on companies' payrolls to finance training.
- To identify priorities for skills development by compelling organisations to develop workplace skills that will culminate in a national skills development plan.

These measures to improve the skills base of the country will not in themselves ensure employment for every person entering the labour market. Policies to influence the demand for skills were introduced after the democratic elections in 1994 (Paragraphs 3.7 and 3.8). In an effort to address structural imbalances, the South African government embarked upon its macro-economic strategy for growth, employment and redistribution (GEAR). However, since it inception in 1996 it has become clear that GEAR' goals were unrealistic, and that job creation through economic growth alone would not curb the growing rate of unemployment in South Africa. The drive for job creation culminated in the Presidential Jobs Summit in October 1998.

The common denominator in most of these job creation strategies (e.g. small business promotion, tourism, special employment programmes) is that they are designed to be implemented in and around the so-called spatial development initiatives (SDIs). SDIs are targeted interventions by central government aimed at unlocking economic potential and facilitating new investment and job creation in a localised area or region. Considering the economic disparities in South Africa – between provinces and between regions in a province (Chapter 4) – the need for such interventions is self-evident.

Apart from the West Rand region – which is mainly factor-driven – Gauteng is regarded as the most developed and sophisticated province in the country, relying on higher-educated labour. Almost half the labour force in the Eastern Cape can be considered functionally illiterate (as

opposed to less than a quarter in Gauteng). Entrants to the labour market in Gauteng therefore have to compete with a fairly well-educated labour force. Three regions in the Eastern Cape are still in the factor-driven stage. The unemployment rate in the Eastern Cape is at 48,4%, almost double the unemployment rate of 28,2% in Gauteng.

The difference in the ability to absorb labour in the two provinces relates to the difference in their stage of competitive development. The spread of job opportunities in Gauteng is proportional to the distribution of the population in the five regions of the province. Conversely, the Eastern Cape's labour force is dependent on mainly two regions (out of the five) for jobs. Regions 1 and 2 (with Port Elizabeth and East London the nodal points) provide three-quarters of the formal employment opportunities in the Eastern Cape.

7.3.2 FINDINGS BASED ON THE EMPIRICAL RESEARCH

Designing strategies for skills formation and job creation in South Africa is a daunting task. The role and expectations of the unemployed themselves with regard to participation in the labour market cannot be ignored in the implementation of strategies for training for job creation (Chapter 5). The following findings emerged from the empirical research:

- The unemployed people interviewed were discouraged by the lack of job opportunities in their areas, and their own lack of education and work-related skills and experience.
- Although the respondents acknowledged that there were no job opportunities in the vicinity of their homes they said they would like to work close to where they lived.
- Less than a quarter of the respondents knew of the existence of employment agencies and services or made use of these services to find a job. They relied mainly on their network of employed relatives and friends to inform them of vacancies or to act as references or 'contacts'.
- The respondents held the government responsible for job creation.
- The majority of the unemployed people interviewed were not aware of employment creation programmes.
- Although eager to work, the respondents would prefer to work in an environment where they could render personal services, or do routine office work or be innovative, rather doing manual work or hard labour.
- Apart from some resistance to manual labour, and suspicion regarding the trustworthiness of local organisers of job creation projects, they would readily participate in job creation projects.
- The respondents indicated their need for support to further their education or for free job-related training.
- Almost a quarter of the respondents indicated that the government should provide social security.

- Only a few of the respondents were receiving social security benefits provided by the government.
- The majority of the respondents reported remittances as their main source of survival from working relatives or friends and parents who received pensions.
- Half of the respondents were involved in income-generating activities as a means of survival and to supplement the income from remittances. Due to their low levels of education, however, they were involved mainly in retail trade activities generating poor incomes, while only a few were trying to make a living in manufacturing.

7.4 RECOMMENDATIONS

7.4.1 RECOMMENDATIONS FROM THE RESEARCH

Investigate the structural and attitudinal changes taking place in the workplace and match the workplace demands with the skills that workers need.

Policy makers should anticipate changes in the skills required for the (next phase of) adaptation to world markets and provide the mechanisms whereby these skills can be generated in anticipation of the demand for them from employers. It is important to acknowledge the interdependent relationship between economic development and skills formation in a developing country such as South Africa. With the huge disparities between provinces (and between regions within provinces), policies formulated on a national level will have to be customised and implemented on a local level. The stage of economic development attained by a country, province or region, determines the levels of skills needed by workers in that economy. Conversely, workers' skills levels also largely determine economic development (i.e. whether or not an economy moves to the next stage of economic development).

Establish efficient, modern systems of bureaucratic administration staffed by technically competent officials.

If the government is truly dedicated to the task of securing economic growth, an efficient public sector is needed to monitor and anticipate changes in markets and in the productive system, and to manage the process of skills formation and job creation. Furthermore, such an efficient system of state administration will ensure that the political and industrial policies of the country/province/region are implemented free of corruption, and also free of the immediate interests of capital and labour.

There has to be a high level of co-ordination at government level.

The integration of skills formation and labour market demands requires co-operation between the various departments involved in assessing human resources needs and those tasked with ensuring that these needs are met.

There has to be a close relationship between government, business and labour.

Such an alliance will facilitate planning for long-term growth and setting targets for job creation and technological advances. Demands for high minimum wages for unskilled and semiskilled labour will for instance jeopardise efforts to attract inward investment from multinational corporations.

All persons over the age of 15 years who enter the labour market (or who are already in the labour market) without the prospect of employment, have to be registered as jobseekers.

Efforts to enhance skills levels and to create jobs should focus on prioritised target groups. Considering the relatively low levels of education of the labour force and the large number of people currently unemployed, ways need to be found to optimise the impact and cost-effectiveness of skills development and job creation efforts. Three broad target groups are suggested as a starting point for prioritisation: education leavers, the unemployed and those currently in employment.

With regard to the three broad target groups, the following general recommendations are made:

- To ensure that education leavers have mastered the basic skills they need to make progress at work, and to upgrade technical and intermediate-level skills, all young people should undergo 12 years minimum general education and enhanced forms of technical education.
- Education and training institutions should instill a culture of self-reliance (imparting the skills needed for self-employment, small business creation and entrepreneurial activities) and disabuse learners of the idea that they will remain unemployed until someone else gives them a job.
- The general and further education and training system should provide the basic skills in mathematics, language, science and technology required by industry. Qualified mathematics and science teachers should get recognition through higher salaries.
- Those institutions offering vocational education should provide higher skill content courses, which will enable learners to proceed to further education at technikons and universities.
- Assistance to education leavers should be targeted at identified groups such as those who have the talent but cannot afford to further their education, and those qualifying for support through programmes like the New Deal programme in the UK.

With regard to the unemployed, assistance should be given to identified groups, such as

- those who will benefit from job creation and training;
- those involved in income-generating activities who will benefit from small business development and support;
- those who will not be reached through job creation, training or small business development support, to provide them with subsistence grants.

South Africa cannot wait for changes in the system of initial education to increase the country's stock of skills. In order to have a literate working population capable of following elementary instructions, the basic skills of those already in work have to be improved. Employers should be provided with programmes to help them organise and implement their own training. Organisations should be assisted with the task of enhancing the quality of their on-the-job training, and they should double their training investment from 1% to 2% of their payrolls. It is believed that the better international corporations spend 4% on training.

7.4.2 RECOMMENDATIONS FOR FURTHER RESEARCH

Other areas requiring research are the following:

- A cost calculation exercise should be conducted based on the prioritisation model for skills formation strategies. For example:
  - The funds needed to introduce a training loan scheme for indigent learners who cannot afford to complete the senior secondary school phase, and to further the education of learners who cannot afford to enter higher education.
  - The funds needed to involve education leavers (with no prospects of immediate employment) in at least one year's community service.
  - The funds needed to retrain those unemployed with previous work experience, and to provide education and training to those unemployed who have no or little schooling.
  - The funds needed to train all underqualified mathematics and science teachers, and to increase the salaries of qualified mathematics and science teachers.

- Research should be done on the impact that endeavours to close the wage gap and introduce minimum wage regulations in South Africa may have on young adults' decision to further their education (or not) and the fields of study/careers they pursue.

- Research should be done on the impact that employment equity policies may have on young adults' decision to further their education and the careers they pursue.

- Further research should be done on the acceptance and the extension of English as the language of work, and the time that should be allocated to second language learning. For

example, the preparatory programme could concentrate on second language development for all Grade 0 learners in order to compensate for the heavier demands made by the bilingual requirement in the workplace.

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ANNEXURE A: CENSUS '96 DATASET

Databases contained in community profile dataset purchased by the HSRC from Statistics South Africa (Stats SA) in 1998:

1. Descriptive
2. Disability
3. Education
4. Labour force
5. Migration
6. Mortallity
7. Dwellings
8. Family
9. Fertility
10. Head of household
11. Household services
12. Language
13. Person and services
14. Welfare

Variables contained in the community profiles:

Enumerator area (EA) number, population group and gender are common variables in all community profile databases. The following variables are included in the databases used in this study:

Descriptive	Education	Labour force
EA number	EA number	EA number
Polygon ID	Polygon ID	Polygon ID
Population group	Population group	Population group
Gender	Gender	Gender
Age (single years)	Age (five-year intervals)	Age (five-year intervals)
Highest educational level	Occupation	Occupation
Studying status	Highest educational level	Economic sector
First home language	Individual income	Individual income
	Employment status	Employment status

ANNEXURE B: EMPIRICAL DESIGN OF UNEMPLOYMENT SURVEY

BACKGROUND

The main aims of this study were to identify critical aspects of the unemployed's participation in the labour market that may impact on the success of employment creation programmes, and to provide an understanding of the economic activities and survival strategies of the unemployed. Mainly descriptive in nature, the approach taken in the unemployment study was that the formulation of job creation strategies could not be done without an understanding of the role and expectations of the unemployed themselves with regard to their participation in the labour market. Their economic survival strategies already, to some extent, constitute employment creation and should be linked to employment-creating strategies at the micro-level. Furthermore, expectations and perceptions of employment among the unemployed could influence the success of employment-creating strategies.

SAMPLING DESIGN

An analysis of the unemployment situation in South Africa reveals that rural populations, African and coloured workers, women, the youth and those with lower levels of skills are the people most affected by unemployment (Schoeman & Blignaut, 1998:304). The total unemployed population was calculated at 4,7 million people in the October 1996 population census (Stats SA, 1998). A survey of 2 000 unemployed individuals was planned and conducted (Erasmus, 1999:18). A multistage cluster sampling process was followed. The sample was structured to represent the population group distribution, gender and urban/rural profile of the unemployed South African population.

The survey was limited to three geographical areas in each of six provinces (18 areas). The Eastern Cape, Northern Province and KwaZulu-Natal were selected as they were the provinces with the highest incidence of unemployment. The Free State, Gauteng and the Western Cape provinces were also selected as they had the lowest unemployment rates on a South African continuum. The sample for each province was 2 000 ÷ 6 (n=300). The areas within each region were chosen to include previously disadvantaged communities, urban/rural communities and larger/smaller areas. The sample size for each area was chosen in relation to its share of the total population.

One household [any house or informal dwelling with a street number divisible by 15 or stand number divisible by 25, flat number divisible by 5 (one per block with 50 flats)] per street in the selected areas was chosen for the purposes of interviewing. If no unemployed person could be traced in a cluster, the next cluster was selected. For questionnaires with even numbers male respondents, and for questionnaires with uneven numbers female respondents, were selected.

When more than one person was unemployed in the household, the respondent was interviewed whose birthday fell next after the date of the interview (Erasmus, 1999:18).

A process of screening was followed to ensure that the respondents were between 15 and 65 years old, were not employed at the time of the interview, would like to work and were available to work.

QUESTIONNAIRE DESIGN AND PILOT STUDY

Aspects of the literature were reviewed and interviews used to inform the design of a semistructured questionnaire to be administered during personal interviews (Erasmus, 1999:17). A pilot study was conducted in Gauteng (Mamelodi n=10 and Alexandra n=10). The purpose of the pilot study was to enhance reliability and to eliminate ambiguity in the questions. After completion of the pilot, the questionnaire was revised and adapted according to the fieldworkers' omissions, faulty information and queries. The modified questionnaire was used in in-depth, individual interviews.

ADMINISTRATIVE PROCEDURES

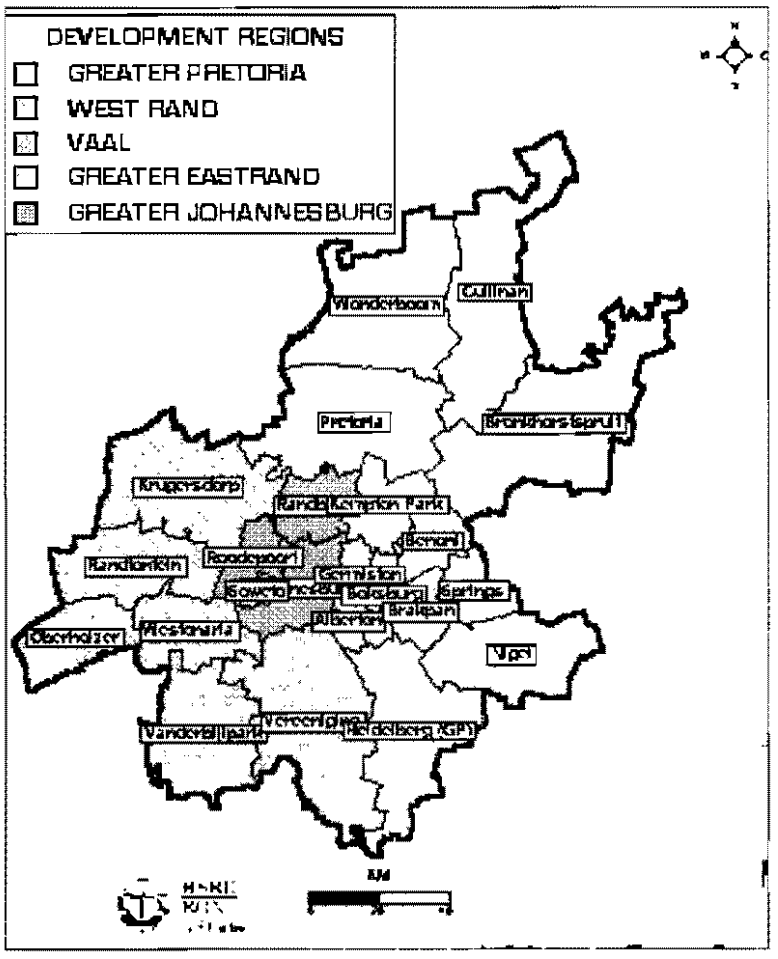
A total of 2 000 unemployed individuals were interviewed during October/November 1998 and January 1999 (Erasmus, 1999:18). University of South Africa (Unisa) students in the selected areas conducted the interviews. Local interviewers were recruited because of their familiarity with the area, their knowledge of the language generally spoken there and their ability to revisit respondents if needed. The Bureau of Market Research at Unisa was contracted to administer the data collection phase. Two researchers from the bureau trained the fieldworkers and monitored the quality of their work. In each of the three selected areas per province, a senior student acted as supervisor and carried out spot checks.

After the fieldwork had been completed, the information gleaned from the questionnaires administered to each respondent was coded and captured on computer. Categories were created for the responses to open-ended questions in the questionnaire by means of content analysis. The data were captured by the HSRC's Computer Centre [1 989 questionnaires (99,45%) were captured, and 11 questionnaires were rejected because of incompleteness or because the respondents did not qualify to be interviewed (Erasmus, 1999:19)].

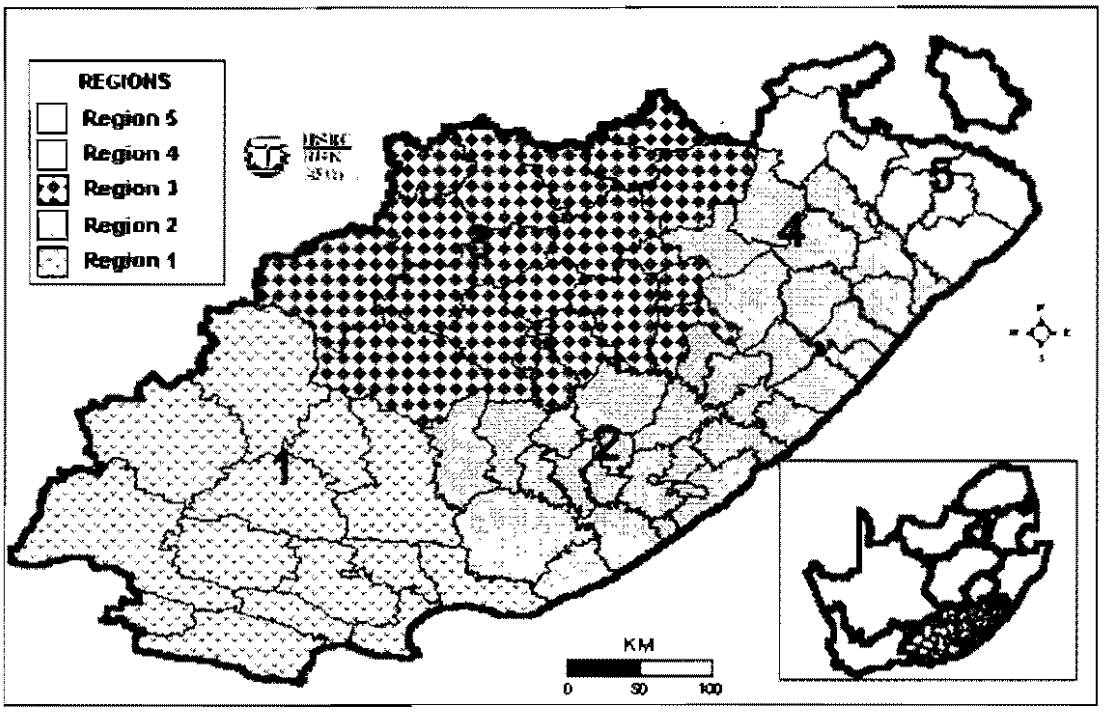
The interviews elicited a wealth of information on, *inter alia*, the perceptions and expectations of the unemployed regarding job creation, and also their perceptions and needs in respect of educational qualifications. The results of the survey were published in a report entitled *Coping strategies of the unemployed* (Erasmus, 1999).

ANNEXURE C: DEVELOPMENT REGIONS

Gauteng



Eastern Cape



ANNEXURE D: SETAs

On 7 September 1999 the Minister of Labour, Membathisi Mphumzi Shepherd Mdladlana, acting in terms of Section 9(2) of the Skills Development Act, 1998, published the following list of SETAs (IPM. 1999):

1. Accouting and other Financial Services.
2. Banking.
3. Chemical and Allied Industries.
4. Clothing, Textiles, Leather and Footwear.
5. Construction.
6. Diplomacy, Intelligence, Defence and Trade and Industry.
7. Education, Training and Development Practices.
8. Energy.
9. Food and Beverages Manufacturing.
10. Forestry, Furniture, Pulp & Paper Board, and Wood Products.
11. Health and Welfare.
12. Information Systems (IT), Electronics and Telecommunication Technologies.
13. Insurance.
14. Local Government, Water and Related Services.
15. Media, Publishing, Printing and Packaging.
16. Manufacturing, Engineering and Related Services.
17. Mining and Minerals.
18. Personal Care.
19. Police, Justice, Security and Correctional Services.
20. Primary Agriculture.
21. Public Sector.
22. Secondary Agriculture.
23. Services.
24. Sports, Arts, Culture and Entertainment.
25. Toursim and Hospitality.
26. Transport.
27. Wholesale and Retail.

ANNEXURE E: SURVEY QUESTIONNAIRE

HUMAN SCIENCES RESEARCH COUNCEL
BUREAU OF MARKET RESEARH (UNISA)
The unemployed's interaction with the labour market

(012) 302 2758

(012) 429 3338

Office use

Card no. 1/5 1 **1**

Questionnaire number — Record no. 2 ☐☐☐☐ 5

Please circle the appropriate Province and Area

1	Eastern Cape	Cala	01
		Bisho/King Williamstown	02
		Port Elizabeth	03
2	Free-State	Botshabelo	04
		Welkom	05
		Witsieshoek	06
3	Gauteng	Mamelodi	07
		Soweto	08
		Tembisa	09
4	KwaZulu-Natal	Msinga/Ladysmith	10
		Ulundi	11
		Umlazi/Chatsworth	12
5	Northern Province	Bochum	13
		Giyani	14
		Pietersburg	15
6	Western Cape	George	16
		Khayelitsha/Mitchelsplain	17
		Worcester	18

6 7-8

Section A: Demographic Characteristics.

1. Tick (✓) Respondent's population group

African/Black 1 Coloured 2 Indian/Asian 3 White 4 — 9

2. Tick (✓) Respondent's gender — Male 1 Female 2 — 10

3. What is your current marital status?

Married 1 Single 2 Divorced 3 Widowed 4 Living together 5 — 11

4. Age.

a. How old are you? ☐☐ Years — 12-13

b. What is your date of birth? d d m m y y ☐☐☐☐☐☐

5. What is your highest Educational qualification? Please tick (✓) — 14-15

No schooling	01	Grade 1/Sub A	02	Grade2\Sub B	03
Grade3\Std1	04	Grade4\Std2	05	Grade5\Std3	06
Grade6\Std4	07	Grade7\Std5	08	Grade8\Std6	09
Grade9\Std7	10	Grade10\Std8	11	Grade11\Std9	12
		Grade12\Std10	13	Post-matric	14

6. If you have received any post-school education/training where did you study?

Please tick (✔)

Technikon	1	Technical college	2	16	17
University	3	In service/ on the job training	4	18	19

7. State highest vocational (e.g. technical college or trade) qualification.

20 21

8. Please list the main areas in which you have developed skills in through on-the-job training (e.g. computer skills, construction skills, mechanical skills, etc.).

22 23
24 25
26 27
28 29

9. Please state the highest tertiary qualification obtained (e.g. BA, B.Sc., Bcom, BscHons, Mcom, MA, etc.). 30 31

Section B: Migration.

10. Do you have South African citizenship? Please tick (✔) Yes 1 No 2 32

11. If no, state Country of origin 33 34

12. If yes, please state the Place of birth.

Town/Place name 35 36

Please tick (✔) Province 37

1	Eastern Cape	2	Mpumalanga
3	Free-State	4	North-West
5	Gauteng	6	Northern Cape
7	KwaZulu-Natal	8	Northern Province
		9	Western Cape

13. Did you move during the last two years to your current address? Please tick (✔)

Yes 1 No 2 38

14. If yes, please state the 5 most important reasons.

39 40
41 42
43 44
45 46
47 48

Section C: Unemployment History.

15. How long have you been unemployed? Years 49-50
months 51-52

16. Have you been employed before? Please tick (✔) Yes 1 No 2 53

17. If "yes" continue with Question 18, if "no" go to Section D.

18. If yes: In what industry group were you last working? Please tick (✔)

Agriculture, hunting, forestry and fishery	1	54
Community, social and personal services	2	
Construction	3	
Electricity, gas and water	4	
Financing, insurance, real estate and business services	5	
Manufacturing	6	

Mining and quarrying	7	
Transport, storage and communication	8	
Wholesale, retail trade and catering and accommodation services	9	

19. State your occupational title:

55 [ ][ ] 56

20. Briefly describe your job:

57 [ ][ ] 58
59 [ ][ ] 60

21. For how long were you working there? [ ][ ] Years 61-62
[ ][ ] months 63-64

22. When did your employment end? d d m m y y [ ][ ][ ][ ][ ][ ] 65-70

23. How were you employed? Please tick (✓) Full time [1] Part-time [2] 71

24. How did your employment end? Please tick (✓)
Voluntary [1] Involuntary [2] 72

Section D: Coping mechanisms

25. Do you have any source of income? Please tick (✓) Yes [1] No [2] 73

26. If "no" how do you survive?

74 [ ][ ] 75
76 [ ][ ] 77
78 [ ][ ] 79

Card no. 2/5 1 **2**

Record no. 2 [ ][ ][ ][ ] 5

27. From the sources of income stated below, tick the ones which are applicable to you: Please tick (✓)

Annuities and similar recurring receipts resulting from own investments	01	6-7
From the Workmen's Compensation Fund	02	8-9
Unemployment Insurance Fund	03	10-11
Social pension(s): Disability grants	04	12-13
Family and other allowances	05	14-15
Child grant	06	16-17
Supported by person in the household	07	18-19
Supported by family members/friends living elsewhere	08	20-21
Supported by charity/church	09	22-23
Doing odd jobs	10	24-25

Other specify:

26 [ ][ ] 27
28 [ ][ ] 29
30 [ ][ ] 31

28. Do you engage in any of the following income generating activities? Please tick (✓)

Baking at home	01	32-33
Begging	02	34-35
Car repairs at home	03	36-37
Car wash, parking indicators	04	38-39
Collecting/cutting/sawing firewood to sell	05	40-41
Dressmaking at home	06	42-43
Fetching water to sell	07	44-45
Looking after cattle, poultry	08	46-47

Pottery	09	48-49	
Recycling, hawking, spasa shop	10	50-51	
Selling from home	11	52-53	
Selling on the street	12	54-55	
Tree nursing/propagation	13	56-57	
Typing at home	14	58-59	
Vegetable, fruit gardening	15	60-61	
Woodwork	16	62-63	
Others (please specify):		64	65
		66	67
		68	69

29. What is your average income per **month**, over the paste twelve months (gross income from all sources)? **R** [ ][ ][ ][ ][ ] 70-74

30 Is this average income (Please tick (4): Regular [1] Irregular [2] 75

31. How many people do you support (please write number in appropriate block:) 76

0 – 5 yrs	6 – 10 yrs	10 – 15 yrs	Older	
				77 78 79

Card No. 3/5 1 **3**

Record No. 2 [ ][ ][ ][ ][ ][ ] 5

Section E: Job seeking activities

32. How long have you been looking for a job? [ ][ ] Years 6 [ ][ ] 7
[ ][ ] months 8 [ ][ ] 9

33. Were you actively looking for a job in the past four weeks? Please tick (4)
Yes [1] No [2] 10

34. If the answer is "no" from the above question why are you not looking?

	11	12
	13	14
	15	16
	17	18

35. How are you searching for a job? Please tick (4) 19

Through newspaper advertisements.	1	20
Through personnel agents.	2	21
Through your network of family and friends.	3	22
Submitting your résumé to companies.	4	23
Registered at the employment services of the Department of Labour.	5	24
Queuing at the gates of firms/organisations hoping to be selected.	6	25
Others please specify:		26
		27
		28

36. Where are you looking for a job?

Only in the close vicinity of my home				1	29
In surrounding areas				2	30
In **other** provinces (Please select and (4)					
01	Eastern Cape	02	Mpumalanga	31-32	33-34
03	Free-State	04	North-West	35-36	37-38

05	Gauteng	06	Northern Cape	39-40	41-42

07	KwaZulu-Natal	08	Northern Province	43-44	45-46
09	Western Cape			47-48	
10	Countrywide			49-50	

37. Any reasons in particular for choosing those places? 51 52 53 54 55 56 57 58

38. Are you prepared to take **any** job that comes around? (Please tick (4)
Yes 1 No 2 59

39. Please indicate to what extent you are willing to accept the following type of work and working conditions: 1 = Not at all 2 = Maybe. 3 = Definitely
(Please tick (4)

A	Using your hands to do manual work (e.g. fix cars)				60
B	Doing clerical routine work in an office (e.g. file documents)				61
C	Rendering a personal service to people (e.g. wait on tables)				62
D	Using new ideas to be innovative or plan activities (e.g. plan your own business)				63
E	Working in an environment where your hands get dirty easily (e.g. garage, coal mine, farm)				64
F	Working in an environment with high temperature and severe discomfort (e.g. boiler room, furnace, crop fields)				65
G	Being exposed to dust, fumes, smoke, etc.				66
H	Doing physical strenuous work:(e.g. kneeling, climbing, shoveling, chopping)				67
I	Working under the supervision of another person.				68
J	Working with other people in a team:				69
K	Taking risks when you make decisions on working activities				70
L	Planning activities to make money:				71
M	Leading projects and team activities:				72
N	Taking care of people (e.g. elderly, disabled)				73
O	Training or educating people (e.g. coaching soccer, giving Information on health matters)				75
P	Entertaining people (e.g. with music)				76
Q	Rendering escort services / sex work				77
R	Sitting in an office sorting papers (e.g. letters, documents, files)				78
S	Doing practical routine office work(e.g. making photo copies)				79

Card No. 4/5 1 **4**
Record No. 2 5

T	Taking/checking stock in a warehouse:				6
U	Typing documents using office machines:				7

40. Being unemployed, do you ever think of getting involved in activities to make money, such as the following: 1 = Not at all 2 = Sometimes 3 = Often
(Please tick (4)

V	Growing and selling dagga?				8
W	Hijacking cars?				9
X	Smuggling goods (e.g. alcohol, ivory, and drugs)?				10
Y	Robbing houses?				11
Z	Pickpocket, grabbing handbags/parcels?				12

41. What is the minimum monthly income that you would accept if you find a job?

R [ ][ ][ ][ ][ ] 13-17

Section F: Support Service.

42. Do you know of any agencies or organisations that help people to get employment (Please tick (4)? Yes [1] No [2] 18

43. If "yes" to Question 42: Do you make use of these services? Yes [1] No [2] 19

44. If "yes" to Q 42 and "no" to Q 43: Why are you not using them?

	20 [ ][ ]	21
	22 [ ][ ]	23
	24 [ ][ ]	25

45. If yes please list them and describe in what way these services are of help?

Name:	Describe:				
		26 [ ]	27	[ ]	
		28 [ ]	29	[ ]	
		30 [ ]	31	[ ]	
		32 [ ]	33	[ ]	

46. How often do you consult them? (Please tick (4)

Once a week	1	34
Once a month	2	35
Twice a month	3	36
Not regularly	4	37

Section G: Job creation programmes

47. Are you aware of any special job creation programmes that aim to help people get jobs? (Please tick (4)
Yes [1] No [2] 38

48. If "yes" please name and describe them:

Name:	Description				
		39 [ ]	40	[ ]	
		41 [ ]	42	[ ]	
		43 [ ]	44	[ ]	
		45 [ ]	46	[ ]	

49. Are you willing to participate in any special job creation programme if you hear of any? (Please tick (4) Yes [1] No [2] 47 [ ]

50. If "no": Why not?

	48 [ ][ ]	49
	50 [ ][ ]	51
	52 [ ][ ]	53

51. Do you have any conditions before accepting employment in a job creation programme? (Please state them)

	54 [ ][ ]	55
	56 [ ][ ]	57
	58 [ ][ ]	59

52. Who do you think has the main responsibility for job creation, and in your opinion what should be done?

NOTE: Interviewer please do not state the following options, but tick them as the person mention them and/or list at "other."

1	Businesses		60 ☐ 61 ☐
2	Community organizations		62 ☐ 63 ☐
3	Government		64 ☐ 65 ☐
4	Trade Unions		66 ☐ 67 ☐
5	Yours		68 ☐ 69 ☐
6	Combination of the above		70 ☐ 71 ☐
Other (please Specify):			72 ☐ 73 ☐ 74 ☐ 75 ☐ 76 ☐ 77 ☐

Card no. 5/5 1 **5**

Record no. 2 ☐☐☐☐ 5

Section H: Needs regarding the unemployed's interaction with government aid and assistance programs.

53. Whose responsibility do you think it is to assist the unemployed, and what type of assistance do you expect ?
NOTE: Interviewer please do not state the following options, but tick them as the person mention them and/or list at "other."
Although similar to Question 52, this question deals with general assistance to the unemployed (e.g. poverty relief funding, food schemes, job creation, etc.)

1	Businesses		6 ☐ 7 ☐
2	Community organizations		8 ☐ 9 ☐
3	Government		10 ☐ 11 ☐
4	Trade Unions		12 ☐ 13 ☐
5	Yours		14 ☐ 15 ☐
6	Combination of the above		16 ☐ 17 ☐
Other (please Specify):			18 ☐ 19 ☐ 20 ☐ 21 ☐ 22 ☐ 23 ☐

54. Do you blame anyone for being unemployed? Yes 1 No 2 — 24

55. If "yes" who you blame and why?

Who:	Reason:	
		25 ☐☐ 26
		27 ☐☐ 28
		29 ☐☐ 30
		31 ☐☐ 32

56. What do you think prevents you from getting a job?

33 ☐☐ 34

	35		36
	37		38
	39		40

57. What types of information do you think will help you to get a job?

	41		42
	43		44
	45		46
	47		48

58. What are your plans for the next three months?

	49		50
	51		52
	53		54
	55		56
	57		58

59. Any other general comments?

	59		60
	61		62
	63		64
	65		66

Thank the respondent for his/her co-operation.