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SKILLS DEVELOPMENT IN SUB-SAHARAN AFRICA: IS IT ADEQUATE? AN OVERVIEW AND FOCUS ON FIVE COUNTRIES

Johann Maree
Emeritus Professor of Sociology
University of Cape Town
Email: johann.maree@uct.ac.za

Focus of this presentation

- This presentation explores whether skills development in Sub-Saharan Africa (SSA) is adequate to enable economic growth to take place in high productivity and high skill sectors such as manufacturing in order to help eradicate poverty and unemployment on the sub-continent.
- It does so by first presenting an overview of the economy, education and vocational training of the African continent as a whole. It then focuses on the skills development policies and practices of five SSA countries. They are Botswana, Ghana, South Africa, Tanzania and Zambia.

Africa is a Large Continent

- It consists of 58 countries (including the islands) and has a total population of 1.3 billion.
- The five countries this paper focuses on have the following populations: Tanzania 59 milllion; South Africa 57 million; Ghana 29 million; Zambia 18 million; and Botswana 2.3 million.

The Africa Rising Narrative

- The African economy surged upwards in the 2000s; so much so that *The Economist* boldly declared: "Africa Rising" on its front cover (3 Dec. 2011).
- This set off what Horman Chitonge has labelled the "Africa Rising Narrative" (ARN) in his recent book, *Economic Growth and Development in Africa* (2015) .

High economic growth rate in first decade of 21st century

- He points out that there has been growth disparities between countries, but "the majority of countries experienced positive growth, with some – such as Nigeria, Mozambique, Ethiopia, Rwanda and Angola – recording an annual average GDP growth rate of over 7 per cent over the 2000-2010 period." (p.240)
- The level of poverty declined, but still remains high. It fell from 55 percent in 1990–94 to 40 percent in 2010–12.

Lack of economic transformation

- But a worrying phenomenon, says Chitonge, is the lack of transformation of the economies of most African countries.
- The manufacturing sector "accounts for only a tiny section of the exports of most African countries." (p.245)
- "The larger share of export earnings for most countries in SSA still comes from agriculture, where productivity is actually declining," he says. (p.245)

Over-reliance on raw materials

- Where there is not an over-reliance on agriculture, there is an over-reliance on the exports of oil, or minerals and metals such as diamonds, gold, copper and iron ore, i.e. raw materials.
- For instance, oil accounts for 87% of Nigeria's exports and 91.3% of Sudan's while copper is over 70% of Zambia's exports. (p.245)

Lack of manufacturing capacity

- What Chitonge's analysis shows is that most African countries, especially those that depend on a single source of wealth, have not diversified their economies.
- They have not succeeded in beneficiating the raw materials they export by developing processing and productive capacities, i.e. by developing a manufacturing sector.

Large informal sector and informal employment in Africa

- Another major phenomenon in Africa is the existence of a large informal sector.
- At least half, possibly two thirds of Africa's labour force is working informally.
- Palmer (2004) did a careful study of the informal sector contribution to urban employment in 17 African countries in 2000.

Countries with highest and lowest proportions of informal workers

- He found 5 countries where informal workers as a percentage of total urban employment was above 70%. They are Uganda (84%), Zambia (81%), Ghana (79%), Gambia (72%) and Mali (71%).
- There are 4 countries where it was below 30%: South Africa (17%), Botswana (19%), Mauritius (24%) and Morocco (28%).

Drawbacks of informal work

- The drawback of informal employment and self-employment is that it is mostly in low-skill, low productivity and low pay enterprises.
- It is also not regulated by the state or by collective bargaining agreements and institutions such as trade unions.
- Working conditions are thus often poor and unsafe with long working hours.

Education in Sub-Saharan Africa (SSA)

- Education is the foundation on which technical and vocational training is built.
- A recent World Bank Study (World Bank, 2012) found that, over the past 20 years, educational levels have risen sharply across the sub-continent.
- However, there is still a long way to go compared to what Europe and Central Asia (E&CA) have achieved. Whereas in E&CA there was a gross enrolment ratio of 91% at upper secondary school level in 2009, in SSA it was only 21%.

Vocational education and training of informal employees

- . Since a majority of people are working informally in Sub-Saharan Africa, it is important to know what vocational and technical education and training they are receiving.
- The most common form of vocational training in the informal economy of Sub-Saharan Africa is traditional apprenticeship.

Traditional Apprenticeship

- According to Johanson and Adams (2004) "traditional apprenticeship training is responsible for more skills development than the offerings of all other training providers combined.
- The apprentice learns how to perform the tasks from a "master". It is a process of learning by watching and doing: "Training consists primarily of observing and imitating the master." (Johanson and Adams, 2004:131)

Disadvantages of traditional apprenticeship

- The disadvantages are that the level of skill acquired is usually low as the training is "relatively unsophisticated", technology is dated, and there is no standardisation or certification to ensure that a certain level of competence has been achieved (Johanson and Adams, 2004:132-135).
- This form of training would not normally qualify the apprentice to enter the more productive formal economy.

Skills development in South Africa

- When the new democratic government came to power in 1994 it completely revised and restructured the skills development system.
- It discarded the Industrial Training Boards and replaced them with 25 Sector Education and Training Authorities (SETAs).
- It also downplayed apprenticeship training by promoting learnerships that are lower and more general qualifications.

The National Skills Development Strategy NSDS 1

- SETAs and learnerships were part of the NSDS that the new government introduced.
- They were established by two acts, the Skills Development Act of 1998 and the Skills Development Levies Act of 1999.
- The SETAs were to be funded by a one percent levy on the wage bill of all enterprises and organisations outside the public sector with an annual wage bill greater than R250,000 or 687,500 Mauritian Rupees.

The National Skills Development Strategy NSDS 2

- The levy is paid to the South African Revenue Services (SARS).
- 80 percent of the total levies raised is transferred to SETAs in proportion to the contribution from each sector. The remaining 20 percent is transferred to the National Skills Fund for NGOs and training unemployed people.
- The SETAs have to draw up Sector Skills Plans (SSPs) indicating the crucial demands for skilled labour expected to emanate from their respective sectors in the foreseeable future. They then have to implement the SSPs by establishing learnerships and by approving Workplace Skills Plans submitted to them by enterprises and organisations within their sectors.

The National Skills Development Strategy NSDS 3

- Initially 50 percent of the total levies paid by employers could be refunded to employers in the form of a Mandatory grant upon submission of a satisfactory WSP. A further 20 per cent could be awarded as a Discretionary grant.
- The remaining 10 percent was allocated to the administration of SETAs.
- Many employers did not think it was worth the effort to submit WSPs and most of the SETAs performed miserably.

The National Skills Development Strategy NSDS 4

- the SETAs were not able to spend almost half of their money on training. Of the R3.1 billion received from levies up to 2004, only R1.6 billion, or 52%, had been paid out in grants.
- In 2009 oversight of the SETAs was transferred to the newly established Department of Higher Education and Training (DHET) which took firm steps to improve the SETAs' performance and also altered their focus radically from workplace training to professional and vocational education and training.

The National Skills Development Strategy NSDS 5

- Mandatory grants were slashed from 50 percent to 20 percent.
- Discretionary grants were increased to 49.5 percent. Of this, at least 80 percent has to go into the newly created PIVOTAL grants.
- PIVOTAL is an acronym for Professional, Vocational, Technical and Academic Learning programs. PIVOTAL grants are earmarked for professional and vocational education and training at technical and vocational education and training (TVET) Colleges, Universities of Technology and Universities. They must result in accredited qualifications.

TVET Colleges

- TVET Colleges in South Africa have suffered from severe neglect over the years. It is only since the establishment of the DHET in 2009 that their immense importance for skills development was fully realised and strenuous efforts are being made to expand and upgrade them.
- There are 50 TVET Colleges spread around the country on 256 campuses. Each of the 9 provinces has its share of Colleges.

TVET Colleges 2

- Due to a conscious policy on the part of DHET student enrolment started growing at a rapid rate. Total student enrolment more than doubled from 358,393 in 2010 to 737,880 in 2015.
- Even so, in 2015 there were still more students enrolled at Universities and Universities of Technology (UoTs) than at TVET Colleges. There were 985,212 students enrolled at all the Universities and UoTs as opposed to 737,880 at TVET Colleges.
- Expenditure on FET colleges has been and remains extremely low. Only around 2% of the total education budget is spent on TVET Colleges.

TVET Colleges 3

- An in-depth situational analysis of the TVET college sector, undertaken in 1998, cited a range of problems, including the calibre and competence of teachers, curricula that have lagged behind advances in industry, as well as out of date technology. In the light of these findings the Department of Education drew up a re-capitalisation plan for the TVET public colleges of R1.5 billion from 2006 to 2009.
- The same problems still persist to the present and much therefore still remains to be done in South Africa to deliver uniformly high quality technical and vocational education and training.

Skills Development in Botswana

- Botswana recently introduced a new National Human Resource Development Strategy (NHRDS). It was officially launched in 2013 and is rather similar to the South African NSDS.
- A key function of the HRDC is to formulate Human Resource Development Plans for sectors of the economy. It has established Sector HRD Committees that have to produce sector-specific HRD Plans to ensure a linkage between sector specific skills demand and supply. Twelve sectors were identified on the grounds of their strategic importance to the economy.

NHRDS of Botswana:
HRD Fund and Workplace Skills Training

- A Human Resource Development Fund (HRDF) has also been established. The fund is operated by means of a levy grant system. Companies pay a levy into the Fund and are reimbursed the costs they incur for training their employees. The amount that can be claimed for training is very generous. It ranges from twice to 7.5 times more than the levy.
- Workplace training is encouraged as all workplace-based training costs are refunded by the HRDC. In order to qualify for a refund a Workplace Skills Training Plan has to be drawn up and approved before commencing on the training.

Skills Development in Zambia

- A major feature about the Zambian government's policy towards skills development is that it emphasizes entrepreneurial education and training as much as it does technical and vocational education and training.
- This is reflected in the very name of the authority in charge of skills development in Zambia: It is called the Technical Education, Vocational and Entrepreneurship Training Authority (TEVETA).

The Technical Education, Vocational and Entrepreneurship (TEVET) Act

- The origin of TEVETA dates back to 1998 with the passing of the Technical Education, Vocational and Entrepreneurship Training Act which gave equal emphasis to entrepreneurial training as technical education and training.
- The Act led to the establishment of the Technical Education, Vocational and Entrepreneurship Training Authority (TEVETA) whose responsibility is to interpret and implement the TEVET policy.

Training Providers and Institutions

- By 2016 TEVETA had accredited almost 300 training providers about a third of which are public institutions supported by different ministries, including the Ministry of Higher Education.
- In addition to TEVETA, the Directorate of Vocational Education and Training, a department within the Zambian Ministry of Higher Education, administers funding for 24 public training institutions. In 2012 there were approximately 35,000 students enrolled for institution-based training of which roughly 8,000 graduated at the end of the year.

Skills Development in Tanzania

- The Tanzanian Government adopted a different approach from Zambia to skills development. It has drawn a strong and clear distinction between vocational and technical education and training.
- Vocational education and training (VET) constitutes a lower level of education while technical education is at a higher tertiary level.
- This has led to an institutional split between VET and technical education. VET is administered and implemented by the Vocational Education and Training Authority (VETA) while Technical Education is overseen by the National Council for Technical Education (NACTE)

VETA and NACTE

- VETA was established by an Act of Parliament in1994.
- NACTE was established by The National Council for Technical Education Act 1997 with the function of registering and accrediting technical institutions.
- By the end of January 2018 it had 571 institutions and university department on its registration list. Of these 425 had been granted full registration status, 81 provisional, 7 were at preparatory stage, and 58 were as yet unspecified.

VETA Tracer Study

- In 2010 VETA conducted a nation-wide tracer study for 2004-2009 graduates of vocational education and training. The sample consisted of 4,923 VET graduates.
- Of the sample of 4,923 graduates 67.4% of the males were employed and 63.5% of the females. The major reason by far for being unemployed was because they were in training..
- In evaluating the findings of the tracer study it was found that the employability of VET graduates needed to be enhanced by including training for self-employment in urban and rural settings, that there has to be continuous upgrading and updating of skills, and the training for people with disabilities required improvement.

Skills Development in Ghana

- the Ghana government has a number of diverse institutions and programs aimed at providing technical and vocational education and training. The diversity of institutions is a strength but also potential weakness as it creates contestation among them.
- The institutions are the Council for Technical and Vocational Education and Training (COTVET), the National Vocational Training Institute (NVTI), and the Integrated Community Centre for Employable Skills (ICCES).

COTVET

- The most important institution is the Council for Technical and Vocational Education and Training (COTVET), Its function is to co-ordinate and oversee all aspects of technical and vocational education and training in the country.
- COTVET started operating about 2010. It started with the implementation of three different TVET integrated products aimed at reforming the TVET landscape.
- The first one was the Development of Skills for Industry Project, a five to six-year project. With the aid of funding from the African Development Bank its task is to build state of the art institutions equipped to train people with modern technology.

COTVET 2

- The second project was the Ghana Skills for Industry Project. It was sponsored by the World Bank with the aim of building capacity for COTVET.
- It also introduced a Skills Development Fund. It is a challenge fund available to individuals, corporates and any entity that has a need for skills upgrade, skills improvement or technology adoption.
- The third project largely focusses on the informal sector. It was running in August 2017 and sponsored by German Government with GIZ as the chosen principal implementer. Its aim is to formalize the informal sector in order to downsize it.

NVTI

- The National Vocational Training Institute (NVTI) was set up in 1970. Its functions include to organize apprenticeship, in-plant training and training programmes for industrial and clerical workers and train Instructors. Also to To provide for vocational guidance and career development in industry;
- The Institute's geographic range is extensive, covering the whole country, with about 37 training centres. In addition it has 229 vocational institutions and 40 (health) care givers registered with it. In one year it trains roughly 40,000 people.

ICCES

- The Integrated Community Centre for Employable Skills (ICCES) is an agency under Ministry of Employment and Labour Relations (MELR) with policy objective to increase young person's access to skills acquisition and empowerment for productive employment.
- It was established in April 1986 with the primary objective of providing employable skills to the rural folk in order to curb the rural-urban drift. It was also given the mandate to train the youth, especially the unemployed,

Conclusion on Ghana

- Skills development institutions have been in existence for a long time in Ghana, some for almost 40 years. But there is a weakness as the existence of three different organisations duplicate functions, spreads scarce resources more thinly, and creates conflict between them.
- There is a rift between COTVET and NVTI with NVTI suffering from a shortage of funds and training students on dated machinery no longer in use by industry.
- There is a move afoot to unite all the different training institutions under one umbrella, the Ministry of Education. This move has been welcomed by both the NVTI and ICCES. It should improve matters.

Overall Conclusion

- While it is clear that the governments of all five countries have extensive skills development policies and practices in place, their outreach is not sufficient to reach a majority of their labour forces.