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Skills Development in Post-Apartheid South Africa: Issues and Contestations

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INTRODUCTION

South Africa's transition from the apartheid system to a post-apartheid democratic system began in a historical moment that coincided broadly with the 'collapse' of the Soviet Union and the ushering in of a new global order of capitalist economic domination often referred to as the 'unipolar' world system. This moment was followed by large-scale global capitalist restructuring which pressured many developing countries to embrace neoliberal economic policy reforms.

The post-apartheid state ushered in a period of wide-scale reform of public policies, amongst which were reforms to the country's education and training systems. These reforms were proposed as a means to begin to redress the historical imbalances created by apartheid's racialised labour market, which had resulted in what McGrath, Badroodien, Kraak and Unwin (2004) have characterised as a 'low skills regime'. A key challenge facing the new government was to develop policies that could address this historical legacy while simultaneously overseeing the integration of the South African economy into a hostile global capitalist economic system. This resulted in an expectation that the post-apartheid state would develop policies that will redress the historical imbalances that occurred as a result of apartheid. Scholars such as Motala, Vally and Spreen (2010: 241) have argued:

At the end of apartheid there was a real expectation that the death of a racist, fragmented, incoherent, yet planned education and training system together with its policies and practices – the manufactured bureaucracies spawned to give effects to the intentions of apartheid ideologues and political leaders and its deleterious outcomes, would be terminated once and for all.

In light of the various, conflicting pressures for policy reforms from domestic and global forces, the democratic government has chosen contradictory approaches to development. These are directed at redressing the historical imbalances, on the one hand, and economic and social policy choices that have so far been unsuccessful in transforming the character of the South African economy, on the other. The discourse on skills development therefore is an expression of ideological and political contestations emerging within this broader framework of policy development in the period of the political transition. My contention is that the prevalence of human capital theory assumptions on skills as evidenced in the broad acceptance of outcomes-based education (OBE) reforms and the National Qualifications Framework (NQF) in the post-apartheid state have contributed immensely to the current situation defined as a crisis of skills development. According to Allais (2011a: 11),

the key problem with skills development in South Africa is the underlying qualification model, which, despite rhetoric to the contrary, is based on, and reinforces atomised skills for fragmented jobs. The ensuing qualification model has been cumbersome and difficult to use, because of the tendency of competency-based systems to lead to narrow but lengthy over specified qualification

documentation, which has made the work of government institutions as well as providers difficult, and ironically has made it harder for providers to be responsive to employers' needs.

In the following section, the basic premise of Human Capital Theory (HCT) will be discussed briefly in order to illustrate how it has gained ideological power over the skills development system of South Africa.

HUMAN CAPITAL THEORY: A DOMINANT APPROACH TO SKILLS DEVELOPMENT

The other critical ideological dimension to the skills question is related to the perspective of proponents such as Becker (1964) as human capital which corresponds to any stock of knowledge or characteristics the worker has (either innate or acquired) that contributes to his/her 'productivity'. Becker's conception associates 'skills' with the neoclassical ideas of HCT, which seeks to extend economic theory to explain the entirety of human behaviour. Becker's approach can be considered 'utilitarian' as it privileges the dominant role of the market in defining 'skills'. A range of policy propositions, developmental plans, job creation schemes and education policies in South Africa have been premised on this problematic rationale. Even the notion of 'skills shortages' and 'scarcity of skills' presupposes that a pre-existing market is waiting readily to 'absorb' the skilled cohorts of workers and trainees. Critiques of HCT have maintained that 'Human Capital Theory may be a logical outcome of the sort of reasoning utilitarians get up to but it does not help us to understand human behaviour' (Fevre, 1999:6). Others have gone further to argue that: 'Capitalism is based on profit maximization rather than universal skills upgrading. It is naive to assume that economic competitiveness will lead employers to invest in upgrading skills throughout the economy' (Brown, 2001: 35).

In contrast to HCT, scholars such as Ashton and Green (1996), Crouch et al (1999), and Brown, Green and Lauder (2001), have developed alternative approaches which are based on the acknowledgement that skills are socially constructed and are driven by social institutions. For instance, Brown (2001: 32) argues: 'In the new political economy issues of income distribution, opportunity, democratic participation, and the ways people come together in pursuit of their individual interests and collective goals, are seen to have a decisive impact on national skill formation strategies'. What emerges is that the notion of human capital is insufficient to describe the variety of forces that drive the development of human beings; neither is it sufficient to provide a holistic critique of the myriad factors that contribute to unemployment, inequality and poverty. One of the issues that affect researchers of skills development is whether technological change itself results in an improvement of skills or instead results in what Braverman (1974) refers to as 'de-skilling'. Sears (2003:59) argues that, 'Technological change in capitalist society has not usually been associated with a generalized increase in skill requirements'. While Livingstone (2012: 108) maintains that the biggest challenge to HCT is the societal underemployment of credentialed knowledge when he states that

all of those efforts to repair human capital theory remain in jeopardy because of their failure to account for a growing general gap between people's increasing learning efforts and knowledge bases on the one hand, and the diminishing numbers of commensurate jobs to apply their increasing knowledge investments on the other hand.

The issue of underemployment receives very little attention within the South African policy discussion on skills as it exposes the fact that even those citizens with high level qualifications

often find themselves in employment that rewards them less than their acquired skill / knowledge. My experience as a former Sector Education and Training Authority (SETA) employee is that the policies and most programmes of SETAs do not pay attention to underemployment due to the dominance of the 'scarce skills' approach. It is mostly organisations, such as the South African Graduates Development Association (SAGDA) and others, which regularly raise this issue within the context of lobbying for the interests of unemployed graduates.

EARLY CRITIQUES OF THE NQF AND NEOLIBERAL SKILLS DEVELOPMENT POLICIES

The post-apartheid government had to contend with a prevalent neoliberal discourse of 'skilling' which basically diluted the initial emphasis in the African National Congress's (ANC) 'Yellow Book' which emphasised the need for an articulated education and training system. It is interesting to note how the term 'skills' has gained currency since the 2000s as opposed to the notion of education and training which was espoused in the 1990s. The term 'skills' denotes a particular form of task-oriented work and signals a normative departure from an all-encompassing educational process integrated with training. The skills challenge had been identified within the Macro Economic Research Group's (MERG 1992) work as part of the structural issues that needed to be attended to in a post-apartheid society. Two articles critical of the NQF by Samson and Vally (1996a, 1996b) appeared in the *South African Labour Bulletin* posing critical questions that the labour movement had to consider as possible consequences of the implementation of the NQF.

The general critique of the outcomes-based NQF model for education and training provided by Samson and Vally (*ibid*) centred on four key areas, namely: (1) that the NQF system would create an unwieldy bureaucracy with Standard Generation Bodies and similar structures resulting in an extensive 'paper chase'; (2) drawing on international experiences they criticised outcomes-based systems for focussing on what people can do to the exclusion of other knowledge which they may have; (3) they criticised the assumptions informing outcomes-based qualifications as they are based on the belief that there is a direct link between education and economic growth; and lastly, (4) they argued that the post-Fordist production methods would influence the logic of the development of the NQF. Post-Fordism basically is a system of production which involves smaller production units, relying on a multi-skilled, flexible and problem-solving workforce capable of producing smaller runs for specialised international markets.

It is worth noting that almost all the issues that were raised by critics of the skills system and the outcomes-based NQF remain relevant almost 20 years after their warnings about the potential failures of the system had been highlighted. For instance, the *Green Paper for Post-School Education and Training* (DHET, 2012: 15) acknowledges these challenges in the implementation as such:

Our system has created a proliferation of qualifications and unit standards, but there has been no corresponding proliferation of learning or of educational provision . . . there is little evidence that the NQF has in fact facilitated judgements about equivalence. In some instances attempts to create equivalence between different qualifications have added complexity to the regulatory system, as well as leading to undesirable consequences.

This acknowledgement by the government of the failures within the system are ironic given that most of the concerns about possible pitfalls of the system, which is 'demand led' and driven

by outcomes-based qualifications frameworks, were raised by Samson and Vally (1996a) years before the Skills Development Act (No. 97 of 1998) was promulgated. This is how the ideological power of HCT has remained dominant over the South African skills system largely due to its common-sensical way of explaining the relationship between education, skills and the economy. However, the conceptualisation of the nature of this relationship between education and jobs has been criticised by Motala (2012), particularly some of its assumptions, for instance, that once there are skills in the market, jobs will follow. Motala (ibid: 8) questions:

What is the actual nature of the relationship between education, skills development and employment? Is it simply the linear cause and effect that it is purported to be or are there a range of historical and contextual factors which inform the conditions and possibilities affecting that relationship? And what indeed would be the role of public policy and provision in stimulating these alternative possibilities.

I interviewed Samson who co-authored one of the early critiques of the NQF and was later National Union of Metalworkers South Africa (NUMSA) Education and Training Secretary. She maintained strong views on the skills question and gave it a wider context:

It was not just about skills but also about how the union positions itself in relation to global capital. I sided with the approach that argued that we shouldn't be shifting our strategy to accommodate capital. Many people bought into the system because of the notion that South African workers had developed all these skills and that OBE will lead to RPL. Argument against that can be that you can have RPL without it being skills based (Samson interview with author 2013).

An apt characterisation of this unwieldy bureaucracy which still underpins the criticisms of the skills system came from one policy maker interviewed who used the notion of a skills revolution which ran into a skills crisis to explain the nature of the challenge in skills which has resulted in a complex system:

I think some of the problems that I felt in the skills environment was that they put a huge, I mean there was a coherent policy framework but it was new, it was complex but it made major demands on the institutions and the parties; and somebody captures it quite well, it was in the late '90s right through to today to some extent, the skills revolutions sort of ran into the skills crisis. And the crisis of skill I think just became a real tight constraint on the skills revolution; and I mean I think it will be difficult to argue now that that the revolution really succeeded from the late 1990s, certainly it has made huge difference but there were a number of systemic and structural problems that were just hugely difficult to deal with (Macun interview with author 2012).

Allais (2011a: 264) argues that,

the outcomes-based qualifications framework approach may draw attention away from economic problems, as well as political and economic policies. For example, governments which do not want to intervene in labour market policy, or feel compelled to sign tariff agreements or privatise state enterprises, can easily blame education and training as well as individuals for economic woes. It is within this context that I now turn to the specific roles which were played by the different policy actors in the making of the South African skills development system.

THE ROLE OF POLICY ACTORS (STATE, LABOUR AND CAPITAL)

Mayer and Solga (2008: 5) have asked,

under which conditions of policy making and in which kinds of ensembles of various collective actors are training systems put in place, maintained, and developed? How important is the involvement of the state, trade unions, and employers' associations in shaping and regulating training systems?

There are three critical pressure points that have influenced the formulation of the South African skills development policies since the democratic breakthrough of 27 April 1994. The first pressure point is that of economic competitiveness – this is premised on the assumptions of capitalist globalisation. Jessop (1994) describes this process of reforms within the state as based on the development of 'Schumpeterian workfare states' as they are structured to strengthen as far as possible the structural competitiveness of the national economy intervening on the supply side and to subordinate social policy to the needs of labour market flexibility and/or the constraints of international competition. The second pressure point is premised on the necessity for racial redress through employment equity, black empowerment and a variety of policies aimed at the creation of a stratum of skilled black professionals to participate in the formal economy of South Africa. However, the Commission for Employment Equity Report (2012–2013) seems to suggest that very little progress is being made on the transformation (equity) issue at a workplace level, particularly within the private sector. The third pressure point emerges from within the realm of technological change and skilling. This is due to the fact that while the outcome of 'high' skilling in the new forms of production techniques are adopted by companies in the industrial sector, technological restructuring often results in retrenchments. One empirical example of this was communicated to me by Godongwana, a former Deputy Minister and current Head of the ANC's Economic Transformation Committee:

If we go into a car assembling plant and you compare that car assembling plant to a plant 10 years. For example go into H plant in Mercedes and see changes. Body shop where they assemble there are robots there, there were no robots in the past which are fairly efficient. I went to a GM plant in Oshawa they are doing more cars now, every 58 seconds you will get a car coming out. At the time that plant was producing more cars per annum than South Africa's seven plants. It will tell you the body of the car, the robots are running around these workers and it doesn't make any mistake, when that car comes up, down with six, when that car comes down, this robot knows which, there are the five robots there roaming, the rightful robot will run and that car is on the move as it goes to the right seats and the right colour then come down. The worker sits there and marks this and the other guy goes to check the seat (Godongwana interview with the author 2012).

The South African Government recently (2012) facilitated the signing of an agreement/commitment by Labour, Business and the State to Skills Development named the 'National Skills Accord' which is seen as a catalyst for the creation of 5 million jobs by the year 2020. The basic assumption of the Accord is that a more bureaucratically efficient skills development institutional machinery of SETAs, Further Education and Training (FET) colleges and other institutions will provide the basis for the widening of access and an expansion of skills in the country. According to Streeck (1989: 103),

democratic corporatism may have a future after all, and in particular in areas like training where it seems that both trade unions and employers may, for partly different and partly identical reasons, be about to discover a joint interest in jointly preventing market as well as state failure.

THE ROLE OF THE STATE

There is significant literature on the developmental state both in South Africa (Edigheji 2010; Gumede 2011; Kondlo 2011; Maimela 2011) and internationally (Burawoy 1984; Corbridge, Williams, Srivastava & Véron 2005; Evans & Rueschmeyer 1985; Leftwich 2007; Polanyi 2001) which looks primarily at the role of the state as a policy actor in the advancement of the agenda of economic accumulation or the distributional role that the state plays within an existing capitalist economic structure. According to Evans and Rueschmeyer (1990: 56), the theoretical debate on the state has to be placed in a comparative historical context as: 'States are not standardised commodities. They come in a wide array of sizes, shapes and styles'.

Thaver and Thaver (2009) posit a conception of the mutually constitutive relationship of the state-society and higher education by borrowing from Migdal's (2001) State in Society Framework in which they argue for the necessity of a shift in the relationship between state and society from a problem of structure to one of process. By so doing they would be able to, in contrast to conventional theories, capture the dynamics of the state within itself and within society as these occur in actual practice (Thaver & Thaver, 2009: 59). The framework of the state-in-society relationship is useful in understanding the myriad of policies, programmes and institutions of the democratic government as part of a wider social process rather than narrowly as structures. There has been a tendency to conflate the welfare aspects of the state with the essentially developmental aspects, while the developmental aspects are also conflated with the regulatory aspects. As a result of this ideological contestation, Nzimande and Cronin (2007) published a paper responding to the ANC's document 'State and Social Transformation' titled 'We Need Transformation not a Balancing Act'. The authors critiqued the notion of the state as a 'mediator' between capital and labour in a 'golden triangle' or as a 'neutral state'. Nzimande and Cronin (ibid: 3) write:

The discussion paper perspective begs the very important question of how one reconciles the notion of a golden triangle, of both labour and capital standing equally at the centre of improving the conditions of life of the people, with the leadership of the working class and its allies over the national democratic revolution.

This critique essentially accused the ANC of a 'technicist' and 'class neutral' approach to the character of the 'developmental state'.

RESTRUCTURING THE LABOUR MARKET – AN ILO COUNTRY REVIEW

The state pursued the establishment of an equitable education and training regime by, among other things, appointing the International Labour Organisation (ILO) to conduct a study on restructuring the South African labour market. The study was commissioned to ostensibly recommend how apartheid policies could be overhauled and lay the basis for a new labour market system. The ILO review's outlook can be described as basically focussed on the effect of 'active labour market policies' and the need for overcoming disadvantages and discrimination within the labour market. The study signals one of the key 'intellectual capital' interventions by

the post-apartheid government in shaping the form and character of the labour market. The structural legacy of the apartheid system meant that two main preliminaries informed the basis of the ILO study, these were: (1) strategies to address persistent unemployment; and (2) strategies to deal with 'labour market flexibility' as a means of intervening in the unemployment crisis. The ILO country review study viewed the training issue as explicitly connected to other aspects of labour market reform and structural features of the economy. The authors maintain:

It is not valid to isolate assessments of 'training' from structural features of the economy and labour market. Skill formation is intimately linked to job structures, and one cannot deduce much about the levels or distribution of skills in the population from statistics on the structure of employment (Standing 1996: 449).

The ILO country review was premised on seeking a wider understanding of the skills training system as a system consisting of a series of interventions in order to serve a variety of functions, the review argues that these interventions include *inter alia*:

assisting in worker socialisation and imposition of work discipline, raising technical efficiency, assisting in the restructuring of production and employment, reducing unemployment, promoting labour mobility, and influencing income distribution. One can also conceptualise the skill formation process as potentially involving a set of levels.

The ILO analysis sought to discard the idea of narrow skills training for limited 'tasks' relevant only to specific workplaces. Another critical debate that emerges within the ILO country review is around the matter of training being market led and employer dominated. According to Standing (1996), a market led system raised two types of problems for the training system: (1) Task analysis narrows what needs to be learned to the minimal technical inputs required for a single task. It is almost always carried out by, or on behalf of employers and endorsed by them; (2) a substantial problem with employer training practices has been an obsession with cost-minimisation measures at the expense of other more strategic criteria for longer-term growth (ibid:450). It is within this context and policy processes that the National Skills Development Strategies have been developed.

NATIONAL SKILLS DEVELOPMENT STRATEGY (NSDS) I–III: 1998 TO 2012

The promulgation of the Skills Development Act (SDA No. 97 of 1998) and the Skills Development Levies Act ([SDLA] No. 9 of 1999) ushered in a new era for the South African Skills Development system – an era which saw the institutional establishment of SETAs. The transition from the apartheid system's Industry Training Boards to the new SETAs resulted in some changes in the bureaucratic framework and co-ordination of the skills system from the perspective of the state. A senior government official at the time in the Department of Labour and formerly a NUMSA activist in the 1980s and 1990s, Sam Morotoba, responded to a question on this change by providing seven reasons that necessitated the institutional change.

Firstly, the 33 ITBs covered a narrow industry scope as they were established along industry lines. Secondly, the establishment of ITBs was likely to continue rapidly and we could have ended with 100 to 150 ITBs. Thirdly, there was a lack of co-ordination and a serious amount of duplication amongst ITBs. Fourthly, most ITBs' scope of training coverage was narrow as they focused mainly on artisans. Fifthly, South African Qualifications Authority (SAQA) legislation determines that a distinction

should exist between training provision and quality assurance. Some ITBs were setting standards, providing training and conducting quality assurance. Sixthly, the ITBs were not overly representative, with most only recently including employees on their boards. Seventhly, government departments were not participating in the activities of the ITBs and we wanted to ensure that a partnership exists between the public and private sectors (Vlok & Morotoba, 2000: 27).

Kraak (2004) defines the NSDS as a new institutional regime for skills formation in post-apartheid South Africa which he argues has some comparable characteristics of high skills systems elsewhere in the world. The key driver of the NSDS has been the creation of institutions such as SETAs, the National Skills Fund (NSF) and the National Skills Authority (NSA) which are created as platforms for stakeholder engagement on skills development. As Kraak (2004:119) maintains, 'underpinning the construction of this new institutional environment is the assumption that collective institutional pressures will oblige individual employers to increase their investments in and co-ordination of skills formation'.

The role of the state in the skills development policy can be characterised as straddling two main discourses; (1) a discourse of restoration of competitiveness (and economic growth) through radical skilling programmes and the restructuring of the supply side measures through the basic and higher education systems to meet the immediate requirements of the market economy; (2) a discourse of social renewal in which the emphasis on skilling is placed as a definite part of the solutions to what is referred to as the 'triple challenge' of unemployment, inequality and poverty in South Africa.

Writings on the NSDS such as Badroodien (2004) reflect on the 'size' of the skills development training and how government driven indicators through the levy system indicate the progress on training at an enterprise level. However, the low levels of participation rates of employers are of concern because it also distorts the data that is available for sector skills plans and various other skill planning processes. According to Baadroodien (ibid: 143), by September 2002 of the 208 697 employers who are required by the Skills Development Act to participate in the levy-grant system by virtue of the size of their payroll, only 65.5% of firms actually paid the levy as of September 2002. Amongst those 136 645 firms who pay the levy, only 14 261 grants were disbursed to them in 2002.

This trend has more or less remained the same on a national scale but varying by sector and company size. Big companies have the internal systems to comply with the levy grant system while medium and smaller size organisations tend to have lower levels of compliance (and commitment) to skills development.

These evaluations of the skills system are useful in pointing out the bureaucratic aspects of the system but the reality is that mere compliance is not enough to define whether a process is successful because there also exists 'malicious' compliance. Both the Department of Labour (when SETAs reported to it) and the DHET regularly indicate the need for credible workplace skill¹ planning processes, to the extent that Goal no. 1 of the current NSDS talks of 'Building a credible mechanism for Skills Planning'. My experience of having worked in the BANKSETA is that the internal processes within SETAs that relate to skills planning proceed on the very economic notions of supply and demand of skills without interrogating what this means

¹ The DHET has embarked on a large-scale programme known as the Labour Market Information Programme (LMIP) in partnership with the HSRC and various research bodies. The logic of the programme is to craft a system that centralises all the necessary labour market information related to skills planning. This is an ongoing process which features as a critical part of government planning.

for planning. It is a perennial weakness of SETA managers and consultants that the wider economic structural questions are not interrogated sufficiently and interpreted within a context of skills development.

Archer (2012) maintains that the conception of the intermediary role (of institutions like SETAs) in the skills training system shows one way they need to be assessed in achieving efficiency and equity goals. However, Archer (ibid) goes further to argue that there is still no certainty about the role of the intermediary institutions in effectively countering market failures in practice. At the core of the debate is the character and role of the state in skills development. The SETAs and other related institutions are directed at complementing the existing strategies of employers or the sector despite the deficiencies in information from many private sector companies. Underpinning all of the above analysis is the fact that the skilling process is driven by a largely neoliberal assumption about economic transformation which does not sufficiently interrogate the need for a skills agenda which is linked to the fundamental transformation of society.

THE ROLE OF LABOUR: 1980S TO 1991

In the late 1980s and the early 1990s, trade unions were confronted with the challenges of a rapid transformation of the global economy. This period saw changes in the method of production from mass employment Fordist systems to post-Fordist production methods which resulted in the introduction of new technologies in sectors like engineering. This development meant that some companies ended up employing fewer workers. As Buhlungu (2010: 84) notes,

by the early 1990s it had become clear to management that the South African economy and individual enterprises could not compete in the global economy on their own terms and that competitiveness was no longer just an option but a necessity. Following the lifting of sanction, many enterprises went through a sharp learning curve and soon picked up the jargon of the times about 'benchmarking', 'global competitiveness' and 'flexible' production methods.

Furthermore, Hirschohn (1995) has noted that by creating the industry-based training committees, the amended Manpower Training Act (No. 96 of 1991) stimulated COSATU to become directly involved in the governance of training structures.

There was a growing realisation by trade unions such as NUMSA that skills training would provide a better employment basis for their members in light of the increase in skilled foreign workers being imported into the country at a higher rate of pay. As Forrest (2011: 217) states 'there was also a realisation in NUMSA that its semi-skilled and unskilled membership base was becoming disposable. The acquisition of skills would bring higher pay and give the retrenched a better chance of finding work'.

The phase of the development of Research and Development Groups (RDGs) within NUMSA during the mid to late 1990s occurred in an environment where skills determined pay whereas the majority of NUMSA members (as employees) were considered 'unskilled' during that period. NUMSA was faced with extending the power of labour in a hostile economic environment and was also witnessing the relentless loss of its semi-skilled and unskilled membership. For Forrest (ibid: 216), "it [NUMSA] came to see skills acquisition as a way of moving members to the centre of industrial production and giving them the ability to control production issues".

The basic conclusion of the work of the RDGs with regard to skilling was that if pay is determined by skilling then NUMSA should fight for skills accumulation for its members. Out of this discourse NUMSA's three year strategy was directed at the reduction of grades or 'broad banding' and

promoted the development of a 'High Skills, High Wage Economy'. There were many deep ideological contestations of this position because linking skills with pay can undermine worker solidarity and at the same time there are many workers with skills (and experience) which are not recognised in the context of the workplace. One of the issues which were contested is the notion of skills-based career progression path. Kgobe (1997: 21) has argued that:

South Africa's workplaces are not constructed on the basis of a skills knowledge hierarchy. They are made up of a large, relatively homogenous group of workers with roughly equivalent skills and a small group of more skilled jobs. What sense does a skills-based career path have in this context?

There has also been a relative decline in shop-floor level activism on skills development matters by many trade unions. The multiplicity of state institutions (like SETAs) have resulted in a bureaucratisation of the union's approach to the skills development issues. According to Buhlungu (2010), the expanded political and representational role of COSATU has resulted in a decline in the union's focus on shop-floor level matters including skills development. For Buhlungu (ibid: 170):

Union membership is now increasingly motivated by a sort of instrumental pragmatism, where support for the union is driven more by material benefits that members can extract from the union than by a genuine support for the policy positions that the union espouses.

THE ROLE OF LABOUR: 1996 TO THE EARLY 2000S

COSATU's position on skills development in the post-apartheid era should be traced as far back as 1996 when the labour representatives developed the *Social Equity and Job Creation* document as a contribution to the debate on the National Growth and Development Strategy (NGDS). The document was developed as a critique of the neoliberal policy framework which had emerged within the ANC and which emphasised and accepted the logic of a 'trickle down' approach to development. The *Social Equity and Job Creation* document had four main objectives:

- redirecting of spending by the state towards social services for the poor and expanding public works programmes;
- adopting fiscal measures to encourage production for the domestic market, including the beneficiation of local raw materials;
- promoting public and private investment in training and retraining of workers in order to improve productivity and
- advancing trade liberalisation on condition that it does not lead to the loss of jobs

The position of labour has not changed fundamentally on these issues since 1996 and all of the aforementioned objectives in principle remain the same with minor adaptations and tactical emphases. Buhlungu (2010:95) has stated that 'the restructuring of work that we have witnessed in the last twenty years or so threatens the very existence of trade unionism by fragmenting workers and undermining the basis of solidarity. In other words, restructuring poses a threat to the existing model of unionism which is premised on full-time, permanent employment based on rights and protections underwritten by a sympathetic interventionist state'.

By its own admission COSATU experienced a lull in the area of skills development for a protracted period since the late 1990s till 2009 when COSATU convened an 'Education and Skills Conference' to reflect on the skills development matters. The draft strategy paper for the

conference articulated a clear critique that the popular public discourse seems to present a scenario in which the 'skills crisis' is posited as the major development challenge rather than the jobs crisis. The document (COSATU, 2009: 20) states:

The assumption is that unemployment and low standards of living are a result of the inability of workers to keep up with technological change. The reality of course is that alarming levels of unemployment will continue unless there is a radical change to the economic structure and the way economic decisions are made.

This position needs to be probed further because the dominant skills discourse rests mainly on the notion of 'scarcity of skills' and the notion of a 'skills crisis'. It is quite clear judging from the above discussion that labour's call for a fundamental restructuring of the economy and the direction of development towards the 'public good' is critical for an overall success of the skills development agenda. The 'scarce skills' thesis has been the basis of the entire measurement regime on skills development particularly in the SETAs, the existential logic of the SETAs is that there are scarce and critical skills and therefore the resources for skilling need to be directed to these 'scarce skills'. The common-sense and positivistic way in which this view is presented has become easily acceptable even by labour.

Baskin (2000: 54) has stated that participating in structures of concertation or tri-partism has imposed heavy responsibility on organised labour: 'It suggests the union movement needs a renewal strategy, a revisiting of organisational structure, capacity constraints and its vision of social and economic transformation. Without this the unions are unlikely to make the transition from resistance to engagement'.

The decline of waged employment and the increasing casualisation of workers have had an effect of weakening the power of unions in the terrain of collective bargaining. Barchiesi (2011: 74) has suggested that: 'After apartheid, waged employment remained remarkably vulnerable and unstable for most South African workers. Economic liberalization made work, rather than a remedy for poverty and inequality, a contributing factor in their reproduction'. This suggests that workers are increasingly outside of standard waged employment and even when in employment that employment is increasingly precarious.

THE ROLE OF CAPITAL

In his PhD dissertation, Crankshaw (1994) states that it was not only until the end of the 1970s that new interest arose in the changing patterns of racial inequality in employment. This time however most of this interest was generated by official concern about the shortage of skilled white labour and its attendant policy implications. However, Davies (1979) maintains that capital's restructuring of the racial division of labour was not only due to the shortage of skilled white labour. Instead, declining profits due to the shortage of foreign investment and the political struggles of urban Africans during the late 1970s had provided impetus for reform. For Crankshaw, (1994: 50):

The practice of allocating semi-skilled and machine operative work to Africans while reserving the skilled trades largely for whites was the method by which employers, the State and white labour resolved the chronic shortage of skilled white labour which intensified during the growth years of the 1960s and the early 1970s. This particular solution to some of the contradictions of Apartheid policy was facilitated by the convergence of certain interests of employers, the state and white labour.

The occupational category of semi-skilled machine operators became an area of heavy

competition for white workers as black workers at the time were already employed within semi-skilled job levels although they were not officially certified due to apartheid job reservation policies.

The business community articulated its policy outlook for a democratic South Africa in a document titled *Growth for all* (1996) under the South African Foundation (SAF) basically advocating for a flexible 'two-tier' labour market which would supposedly be flexible and de-regulated allowing employers significant exemptions with regards to dealing with labour. According to Bezuidenhout and Kenny (2000), the proposals in the document did not favour flexibility based on the skills of the workers, but rather the flexibility of employers to determine wages and numbers. These developments were taking place in the period of the 1990s in which globalisation and the need for South African industries to integrate into the global markets was a major driver which had implications for skills development.

It is critical to note, as Lehulere (2013) has recently stated, that capital must be understood as a self-conscious class actor in the realm of skills as it pursues its interest of accumulation whether skills are readily available or not. Harvey (2011: 60) notes that:

There are many advantageous ways for capital to address problems of labour scarcity. Labour saving technologies and organisational innovations can throw people out of work and into the industrial reserve. The result is a 'floating' army of laid-off workers whose very existence puts downward pressure on wages. Capital simultaneously manipulates both the supply and demand for labour.

This point is further accentuated by Brown et al (2001: 113), 'governments have a political duty to privilege their citizens, but capitalism has no such loyalty. Where it is given room to breathe, it tirelessly accumulates capital in whatever ways it can with scant regard for existing arrangements'.

The skills debate arises in the main as a consequence of the skills requirements generated by capitalist labour processes and its organisation of work. The concepts of 'skills', 'de-skilling', and 'labour power' emerge as conceptual nodes which inform the development of 'human capital'. Under capitalism, as Mandel argues (1976: 47):

The capitalist is not forced to buy labour power on a continuous basis. He does it only if it is profitable to him. If not, he prefers to wait, to lay off workers, or even to close his plant down till better times. The worker, on the other hand is under economic compulsion to sell his labour-power, as he has no access to the means of production.

This implies that the compulsions which inform the need to work make differing demands on the 'owners' and 'purchasers' of labour power.

Crankshaw (1994) shows how the situation of the shortage of white artisans in the late 1960s and early 1970s resulted in a rapid change to mechanisation of production processes in the manufacturing, mining and building industries. which in turn meant that job opportunities were opened for black workers to do 'semi-skilled' work in order to ensure that production was maintained. During the apartheid era, the confluence of interests between employers, the apartheid state and white trade unions therefore resulted in a situation of low wages for black workers and their exclusion from the skilled trades. This historic account by Crankshaw is helpful in understanding recent developments in the discourse of skills development in South Africa because the same employers complain of 'high wage' demands from workers despite the workers' alleged lack of skill, yet the 'lack of skills' is part of a historically developed system of

the racialised division of labour. This insight is suggested by the former Director General of the Department of Labour:

I still think that business did not fully embrace the idea of skills development, they were very defensive, feel that they were just being pushed by the government to do something that they didn't want, they had too much pressure on them, so quite a lot of business is basically wrote-off, I think that's why we had SETAs that has lots of money, it is because business could not bother. We created a lot of useful frameworks but I think there was always going to be the danger that you establish institutions that are going to raise levels of dependency on state protection rather than on collective bargaining and collective engagement and using of, and those kind of pressures, and you could see that with the LRA and all of this, the strikes came down quite significantly (Pityana interview with author 2012).

This signifies the somewhat cynical view on the state driven skills development system by organised business despite being basically the main beneficiary from the number of skills development programs of the state. During the process of the development of policy proposals for the NSDS III the business community made submissions through Business Unity South Africa (BUSA). What can be gleaned from these submissions is that they are focussed more on the bureaucratic aspects of the reorganisation, structure, landscape and levy grants of SETAs and not instead on the actual developmental gains of the skills system. One comment in the BUSA document about the Department of Trade and Industry (DTI) proposal on Human Capital Development states:

Busa recognises this as a pragmatic approach, but needs to see a stronger emphasis on supporting growth in the knowledge sectors of our economy. In essence the South African economy consists of over 75% services companies and over 70% small businesses. It is hoped that these key characteristics of the business sector be considered in the new landscape and approach to overall human capital development (BUSA, 2010: 6).

Another contentious issue that BUSA has raised relates to the broader role of SETAs, inclusive of social development issues that fall into the social development domain, in supporting governmental goals. The criticism by BUSA is that there seems to be a broadening of responsibilities of SETAs whereas the SETAs should be serving their members and workers in their sectors. There is also a concern by business about the ways in which SETAs support the SMME sector: 'BUSA recommends that a discussion on the levies for SMEs should be tabled as part of the SETA re-establishment and the NSDS III'. Another issue was around the red tape involved to get access to the funding, as BUSA (2010: 7) argued, 'a possible method to overcome SME access to funding could be simplified claim forms implemented by all SETAs'. The perspective of industry can broadly be categorised as one of reduced regulation in order for the market to flourish.

The logic that 'scarce skills' is the most crucial constraint to the development of South Africa's economy is quite pervasive within the broad business sector. However, it should be noted that sceptics to this view such as Chang (2010), an academic at the University of Cambridge, who maintains that there is very little empirical basis for assuming that the 'lack of skills' will negatively affect economic productivity. Chang (ibid: 182) asserts:

The link between what a production line worker in a car factory learned in school physics and his productivity is rather tenuous. The importance of apprenticeship and on-the-job training in many professions testifies to the limited relevance of school education for worker productivity. So, even the supposedly productivity-oriented parts of education are not as relevant for raising productivity as we think. This is not

an argument for less education or no education this is an argument that trying to make education 'relevant' to the market has proven to be somewhat rhetorical and within it having inherent contradictions because even 'relevant' education or 'outcomes based' education may not be able to produce 'ready-made workers'.

CONCLUSION

Although the social democratic discourse rests on the presumption of consensus between the three main actors in capitalist society the analysis has shown that there are many areas of contestation and contradiction between labour, capital and the state and that the skills discourse emerges as one of the discourses that capital utilises to assert its hegemony over society. What I have sought to show in this chapter is that the moment of the political transition to democracy in South Africa (during the 1990s) presented new challenges to the various actors due to globalisation and the pressure to integrate with the rest of the world economy. I have highlighted that the issue of skills development is not 'ideologically neutral' and occurs within a wider rubric of capitalist strategies of accumulation and maximisation of profits. The notion of 'scarcity of skills' is often presented as the major constraints to increasing employment or to address social ills of inequality and poverty. This idea of 'scarcity of skills' has become so pervasive that even left orientated labour movements have come to accept it as the dominant discourse of skills development. I have shown in the section on Capital that recent international writing by scholars such as Chang (2010) demonstrates that the argument that education alone can resolve the challenge of skills and underdevelopment is flawed. As Chang has stated that even the 'productivity' orientated aspects of education are not as relevant to raising productivity as is usually stated.

The perspective which I hold is that outside of a fundamental restructuring of the South African economy dealing particularly with high levels of concentration, there can be no meaningful skills development agenda. Although the government's efforts through various policies to encourage artisanal training and vocational education are welcome, I caution that these may prove insufficient if they are not articulated within an economic structure that is far more equitable and systematically democratic allowing for a wider range of economic activities unconstrained by the dominant capitalist accumulation path that is currently being witnessed. The issues debated in this chapter are crucial as the left struggles to make sense of locating the skills development question within a rapidly changing landscape of political and economic development in South Africa.

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