A Descriptive Analysis of the Causes, Challenges and Effects of Skills Deficit on Youth Empowerment in South Africa

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ABSTRACT There is a mismatch between the available jobs and the skills possessed by the youth in South Africa, which is a barrier to the socio-economic development. An in-depth review of the current and relevant literature in this study reveals that the South African public and the private sectors are on the verge of a collapse due to the shortage of the relevant job skills. The study establishes that the shortage of the critical skills has been a part of the skills development debate in South Africa despite the huge numbers of graduates churned out in different fields on an annual basis. This ultimately impacts on the youth economic empowerment which has a direct causal link on poverty and unemployment in South Africa.

INTRODUCTION

The State’s current contribution to public education remains the single largest investment in public services and expenditure on education keeps growing by fourteen percent every year for the past three years and it accounts for R140.4 billion in the provincial and national government expenditure for 2014 (Statistics South Africa 2015). A promising development was the expenditure, on further education and training colleges, of over R14 billion on student financial assistance (Budget Speech 2011). Gordhan (2011) indicated that the government had provided R9.5 billion for expanding education and training colleges and skills development. To address the challenge of the skills deficit, Trevor Manuel, the Minister of Finance at the time, indicated in the 2009 budget speech that government had allocated close to R9 billion to public skills development programmes (Statistics South Africa 2015). Skills deficit can be better dealt with in contrast to the endemic deficit across almost all the skill levels, which hinders socio-economic growth (Pardo et al. 2016). Endemic deficit will persistently continue to derail youth empowerment in the event that other strategies have not been designed to solve the issue. In an attempt to explain the effects of the skills deficit in South Africa, Barry Dwolatzky a Professor with Wits University conducted a study (2014) in which he discovered that there is an average of fifty percent of unemployed youth in South Africa and the country ranked third in the Global Unemployment Index.

Barry (2014) revealed that “Our problem is huge and should never be underestimated, hence there are two-and-a-half times more youth unemployed than adults in South Africa and we are at a risk of losing a significant generation if vital steps aren’t taken.” These sentiments prove that the escalating challenge of unemployment in South Africa has become a serious concern which calls for an immediate government intervention. This can be done through the implementation of skills development training to improve the skills among the unemployed youth (Nzimande 2009). The study by Barry (2014) ascertained that Sub-Saharan Africa needs to improve the use of innovation in the digital technological world in the next few decades. His argument was based on the view that “Digital technology provides a good route to absorb the unemployed youth and if we skill South Africa’s youth, via a pipeline of these kinds of initiatives, things will change.” The public and the private sector need to engage in a holistic approach to advance the use of technology because it can facilitate employment regeneration and uplift the standards of living for the majority of the youth.

Background

The prevailing misconception in South Africa is with regards to the concepts of ‘scarcity’ of skills and ‘shortage’ of skills as meaning the same. The National Scarce Skills List (Department of Labour 2006/7) referred to the ‘scarce’ skills when, in fact, it was referring to the skills
shortages’. There is a tendency to perceive the problem of skills deficits only from the perspective of a weak education and training system. Therefore, some argue that the only way to address skills deficits is through an increase in the public investment on education and training. Training is necessary, but it is an inadequate response to alleviating the skills deficits. An increase in the public provision of training may only be appropriate if there is an evidence of a decline in the ratio of persons being trained to total employment. The Centre for Development and Enterprise (2016) offers a range of other possible responses to alleviating the skills deficits. These include freeing wages, developing a progressive skills immigration policy, reviewing labour market policies and improving industrial policies. Issues of foreign direct flows, trade penetration, technological advancements, competition policy, as well as monetary and fiscal policies also determine the skills set on the labour market demands. On another perspective, Ellis (2008: 121) stated that upgrading the educational system was necessary, however, this would not to produce enough entrants into the labour market to eliminate the skills deficits in the short term. Nzimande (2009) asserts that education and training by themselves cannot resolve the problem of skills deficits. It is plausible to affirm that the government seems committed to addressing the skills deficits.

**Problem Statement**

The chronic shortage of skills among the South African youth has been a barrier to the youth empowerment in the country. Gibson and McKenzie (2011: 107) asserted that skills shortage in South Africa had been as a result of the brain drain. Statistics South Africa (2015) acknowledged that skills deficit had been caused by the emigration of skilled minorities to other developed countries thereby decreasing the pool of skills in the country owing to the unintended effects of affirmative action. Beine et al. (2011: 253) reiterated that the brain drain syndrome discourages human capital accumulation in the developing countries which aggravated inequality globally where rich countries continued to accumulate wealth using the developing states labour. The Centre for Development and Enterprise (2016) affirmed that skills deficit among the youth could be explained by the increasing demand due to the rapid growth and continued supply forces. Bohlmann (2010: 1) observed that such pressure has caused the pull factors in the global skills market and this has worsened the South African government ability to develop, recruit and keep adequate levels of human capital in the country hence causing a skills deficit. Richardson (2007) noted that the causes of skills deficit among the South African youth were as a result of the shortage of investment skills, deteriorating education systems, poor infrastructure, and weakness in the training systems and a cyclical increase in employment in the various sectors. This study gives a descriptive analysis the reasons behind the skills deficit, its effects and measures to address unemployment among the youth in South Africa.

**Literature Review**

This literature review focuses on defining skills shortage and its causal effect relationship on youth empowerment in South Africa. This is because evidence suggests that South African private and public organizations are facing stiffer competition from the international organizations that are also in search of skilled personnel which has led to the “talent war” (Muteswa and Ortlepp 2011). However, in South Africa emerging evidence states that the fight for talent is no longer popular especially for the foreign migrants due to the changes of the immigration policies with regards to the migrant labour. Nel et al. (2008) observed that the emigration of skilled expertise from other countries had exerted immense pressure on the already flooded labour market with challenges of skills deficit. In this sense, this study is arguing that skills shortage in South Africa could be improved if the government relaxed the labour laws as well as improved the implementation of skills development and training programs in the public and private sector.

**Defining Skills Deficit**

Debates often arise among the scholars as to what entails skills deficit in South Africa. The National Skills List (2014: 5) provided a range of skills which are argued to be to be in deficit in South Africa. Skills deficit or scarce skills entails those occupations in which there is a scarcity of qualified and experienced human resource, cur-
rently or anticipated in the future, either (a) be-
cause such skilled human resource not avail-
able or (b) they are available but do not meet the
employment criteria. This scarcity can arise from
one or a combination of the following, grouped
as relative or absolute:

Absolute Scarcity

The National Skills List (2014: 5) denoted that
absolute scarcity occurred when suitably skilled
people were not available, for example: A new or
emerging occupation, where there are few, if any,
people in the country with the requisite skills
(qualification and experience) and where educa-
tion and training providers are yet to develop
learning programmes to meet the skills require-
ments. In this instance, firms, sectors and even
the country is unable to implement planned
growth strategies and are experiencing produc-
tivity, service delivery and quality problems
which are directly attributable to a lack of skilled
labour. Replacement demand would reflect an
absolute scarcity where there are no people en-
rolled or engaged in the process of acquiring
the skills that need to be replaced.

Relative Scarcity

The National Skills List (2014: 5) described
the relative scarcity of skills as the availability
of skilled people but they failed to meet the em-
ployment requirements criteria. The job descrip-
tion may include inter-alia geographical location
which determines whether people are willing to
relocate to rural or remote areas outside the ur-
ban areas. Secondly equity considerations where
there are few candidates with the requisite skills,
qualifications and experience from specific
groups available to meet the skills requirements
of the firms and the enterprises. Given the na-
ture of geographical dispersion of the people in
South Africa it might be relevant that employ-
ment can be available but the people are not
ready to move. Economists echo the same senti-
ments when they state that in South Africa there
is currently a structural unemployment.

Skills Shortages in the South African Context

Daniels (2007) denoted that skills deficit in
South Africa, was "an amorphous concept that
encapsulates many specific components, but at
the heart of the matter is the idea that the de-
mand for certain skills exceeds supply.” Eras-
mus et al. (2006: 50) acknowledged that South
Africa was facing a critical situation of skills
shortages. The effects of skills shortage in South
Africa is manifesting itself in the education sys-
tems where learners are producing poor results
especially in mathematics and natural sciences
related subjects. This problem has seen most
matriculates failing to obtain places at the local
Universities and institutions of Higher and Ter-
tiary education. Nel et al. (2008: 418) also claimed
that skills deficit was being fuelled by the for-
eign migrants who entered the country with lit-
tle or no skills to influence change in organiza-
tions. Erasmus et al. (2006) contended that skills
deficit in South Africa had also been caused by
the effects of HIV/AIDS and technological in-
novations in the telecommunications networks.
Shava (2013) also observed that, HIV/AIDS in
South Africa had created a huge skills gap and
increased government expenditure towards the
awareness campaigns and training and develop-
ment workshops. The study argued that the
HIV/AIDS pandemic is fast eroding the unskilled
and skilled personnel, which has tremendous
repercussions on the socio and economic de-
velopment and youth economic empowerment.
This resulted in straining the already strained
government budget because instead of focus-
ing on matters of economic development it was
now channelling the state funds towards ad-
dressing the effects of HIV/AIDS in the works
places (Shava 2013).

METHODOLOGY

The main aim of this study was to analyse
the causes, challenges and effects of the job
skills on the youth economic empowerment in
South Africa. The government has in the past
rendered development initiatives targeting youth
empowerment however the programmes have
been failing due the lack of skills among the
youth. Through an in-depth literature review of
previous studies from peer reviewed articles and
books the study seeks to gain a broader under-
standing on why there is a huge skills shortage
among the youth in South Africa despite the
governments’ efforts to empower them. The sec-
ondary data was analysed in a qualitative man-
ner using thematic content analysis and filter-
ing techniques, from which recommendations
were proffered.
**OBSERVATION AND DISCUSSION**

**Causes of Skills Shortage in South Africa**

**Lack of Technical Skills**

The paper establishes that, the lack of technical expertise has hampered the ability of the youth to get employed in the public and private sector. This is supported by a study conducted by Steyn (2015: 1) which revealed that South Africa ranked as the highest state with highest unemployment rate world over with companies struggling to fill positions of engineers; and skills trade workers. Similarly, a study conducted by Manpower South Africa tenth Talent Shortage Survey (2015) echoed the previous sentiments that difficulty in filling positions had marred the private sector. Results from the study revealed that in 2014 only eight percent of the South African employer’s surveyed reported difficulty in filling the job vacancies, but this year, thirty-one percent of employers reported difficulty in filling vacancies with the relevant skilled labour. The survey further revealed that, about 750 local businesses were surveyed, and they all acknowledge that they had most difficulties in filling for positions this year. The main positions which were hard to fill included inter-alia skilled trades, engineers, management/executive staff, accounting, finance staff, sales representatives, secretaries, personal assistants, receptionists, administrative assistants and office support staff, drivers, technicians, teachers and IT personnel. Steyn (2015: 2) remarked that the lack of technical skills was the main reason behind poor recruitment. In his study Steyn (2015), the majority of the employers interviewed complained that skills deficit hampered the recruitment process. About fifty-two percent of them cited environmental or market factors, forty-seven percent mentioned a lack of technical competencies or hard skills and forty-six percent cited a lack of available applicants or no applicants at all for the position.

**Poor Labour Market Information Systems**

This article recognises that, in South Africa, recently there has been a heated debate amongst the various interest groups, analysts and academics concerning the chronic skills deficits in the country and the inability of the education and the training system to meet the demand-driven needs of the economy. These views correspond with a previewing study conducted by the CDE (2007: 11), which acknowledged that apart from these persistent and ongoing policy reforms, the nature of the skills deficit in South Africa remained poorly defined. There is no universal definition of a skills deficit or of how the government should respond to it. Therefore, the nature, scale and severity of skills deficits are often miscalculated, misunderstood and misused. This results in poor public policies, with their associated high levels of fruitless expenditure (Benjamin 2008; Ellis 2008). McCord and Bhorat (2003: 116) claimed that poor labour market information systems and outmoded occupational forecasting models exacerbated the skills deficits since the data from the labour was difficult to assess on its reliability and validity. The article further depicts that, the quality of labour force data in South Africa is generally poor and those of occupational statistics are even poorer. In another study, Van Aardt (2009: 144) pointed out that, in many situations, these statistics were available only in the highly aggregated forms and contained broad categories like senior officials, managers, professionals and technicians. Admittedly, various private and public agencies conducted a considerable amount of labour market study although they often failed to give a holistic picture of the true state of the skills deficits in South Africa.

**Lack of Post-school Experience**

The study establishes that thirty percent of South African employers cited the lack of industry-specific qualifications or certifications in terms of skilled trades as a challenge, while twenty-six percent mentioned a lack of candidate experience. Furthermore, nineteen percent of employers identified organizational factors as an issue, while fifteen percent cited industry-specific qualifications and certifications in terms of professionals as a challenge. Lyndy van den Barselaar (2015), managing director of Manpower South Africa maintained that “South Africa’s continued skills deficit is being compounded by a lack of technical skills, which is having a negative impact on employment across many sectors of the country’s economy.” She argued that the “higher rates of poverty among the South African youth have left millions unable to pursue secondary and tertiary education or train-
ing, which presents a challenge in terms of their skills development and employment prospects.”

Given these attempts it remains evident that the severe shortage of post school experience is creating a huge unemployment gap and if unchecked it will lead to continued impoverishment among the many South African youth.

**Effects of Skills Shortage in South Africa**

*Societal Effects*

The study ascertains that, skills deficit in South Africa is slowly destroying the economy but efficiently if no measures are undertaken to address the current situation. This is being supported by a research done by Leibbrandt (2010: 4) which revealed that skills deficit in South Africa built social ills especially in the townships and informal settlements at the same time they led to higher levels of unemployment and disjointed families. This, as Leibbrandt (2010: 4) puts it across, has a huge negative impact on the levels of service both in the private and public sectors. Wallis (2002: 1) contended that skills deficit affected work performance widely owing to open vacancies that were available in firms, deteriorated the quality of customer service satisfaction; increased costs, and impeded or delayed companies from developing new products.

*Rapid Population Growth*

The extensive literature review has shown that, skills deficit has contributed to the rapid population growth in South Africa. According to Richardson (2007: 8), skills deficit is a source of aggravation to the firms and, when it becomes severe, it is likely to hamper the quality and quantity of the industrial development outputs. The author argued that skills deficit in South Africa emanated from many origins, such as the lack of investment in skills development; education; and rapid structural change, which was combined with the low levels of overall unemployment; a cyclical surge in employment in parts of the economy; and because of the weakness in the training system. During the launch of the Joint Initiative on the Priority Skills Acquisition (JipSA), it was recognised that one of the remnants of the apartheid regime was certainly the denial of acquisition of quality education and skills for the Black people (JipSA 2007: 2). In that regard, skills deficit has been long identified as one of the critical constraints to economic growth and employment creation by the South African government. In an attempt to address the problem, the government of South Africa established the Sector Education and Training Authorities (SETA) in 2000 with the purpose of assisting poverty alleviation, lack of employment opportunities and fulfilling equity employment targets (Akoojee and McGrath 2007).

*Socio-economic Effects*

This article strongly asserts that South Africa has been affected by the socio-economic challenges that have hampered the ability of municipalities and other private organizations to train their employees as a way of promoting skill development in the organization. Bohllmann (2010: 1) attested to the view when he argued that, South Africa has been recognized widely in the African continent as the strongest economic powerhouse yet it had the highest number of unemployment and HIV/AIDS than any other country globally. A study by Ploch (2011: 1) agreed that South was considered as one of the most unequal societies in the world in terms of income sharing in spite of its economic strength. The studies by Bohllmann (2010) and Ploch (2011) revealed that the majority of the population, mostly Blacks (Coloureds, Indians, Black South Africans) resided in poverty, while the major cities were surrounded by informal settlements. The impact of skills deficit in South Africa, as observed by CDE (2010), Rasool and Botha (2011: 1), Richardson (2007: 8), has robbed the capacity of South Africa’s economy to grow and expand positively towards reducing the high levels of unemployment. Scholars (Bohllmann 2010: 1; Moser 1999: 4; Thornton 2008) observed that the unavailability of a skilled workforce retards business growth. To this end therefore, Bohllmann (2010: 1) affirmed that skills deficit also affected the country’s social and economic development because investors were rather unwilling to invest given the fragility of the country’s economy.

*Advancement in Technological Innovations*

The increased deficit of skills in South Africa has forced a number of Information Commu-
nunication Technology (ICT) companies to be innovative and start their own training academies to curb the loss of skilled labor and the negative effects it had on their organizations. This notion has been championed by Adscorp (2015), in its research when it found out that these companies have since taken the matters into their own hands to do just that. As the wave of technological innovation spreads across the various organizations in South Africa, Gryn Lawrence, the Managing Director of CA Southern Africa, pointed out that his company had a huge challenge finding skills in the infrastructure management sector, and has hence started its own skills academy. This has a direct negative effect on the promotion skills development. The research establishes that most ICT companies in South Africa, recruit ICT graduates on their intensive programme of studying, working and mentorship to get them up to speed and able to go into, for example, a large bank and be a productive asset. Such an initiative helps in bridging the skills gap hence ultimately contributing to youth empowerment.

CONCLUSION

The main aim of this study was to assess and explore more on the causes, challenges and effects of the skills deficit in South Africa, and analyse how these affect the socio-economic and political landscape of the country and its citizens. The article concluded that, the government of South Africa addresses the severe skills deficit thoroughly in an effective and efficient manner. However the study concluded that, the government needs to create youth development initiatives such as skills development programmes which will educate and empower the economically active group such as the youth and the graduates to earn the technical skills which will enable them to exploit the resources in the country to attain self-sufficiency at the height of unemployment. The study depicts that skills deficit are a result of poor training and development as well as mismatch between available jobs and the unrelated market skills most graduates possessed. The study further concluded that, there are insufficient vocational training schools where the uneducated and those without tertiary qualifications can be taught technical and vocational courses such as carpentry, boiler making, among others. Such an initiative can close the skills capacity gap by empowering the youth with knowledge to exploit and contribute to the main stream economy of the country.

RECOMMENDATIONS

The paper recommends the government of South Africa to be tolerant towards migrant labour since stringent labour regulations are causing skills deficit in most organizations. If well utilised, skilled immigrant labor can positively contribute to the economy of the country in a good shape; reduce levels of unemployment with their technical and entrepreneurial skills; and help the government fight poverty by creating more jobs and reducing the plethora of socio-economic problems. Skills development programmes should be provided to the youth to close the skills gap as various job seekers possess qualifications which do not match the available employment hence the skills mismatch. Awareness campaigns should be provided to the youth to encourage them to actively participate in the skills development programmes which enable them to create their own employment and be marketable in the labour industry. Networking and collaborating with different institutions is also recommended to the companies so that they share skills and vital information which can contribute to the growth of the organization. Locally the government of South Africa has to increase on the skills development by indulging in Public Private Partnerships whereby the government hires labour from the private sector to efficiently and effectively deliver public goods and services. In this scenario public servants and private sector employees share skills and knowledge as a positive step forward in promoting skills development and improving the performances and service delivery.

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