

Better skills start with education

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Political will is needed for government and business to team up to fund learning institutions and grow the economy, writes Raymond Patel

The meeting between business and government before the president's State of the Nation address in February, as well as the recent international roadshow by Finance Minister Pravin Gordhan, signal renewed hope that can only bode well for the country.

Many take for granted the fact that the challenges facing the country can never be resolved by the government alone. The events of last year, which saw an unexpected change of guard at the National Treasury and the plummeting of the rand, raised eyebrows about the relationship between government and the private sector.

Harsh words were exchanged across society, and this left a bitter taste in the mouths of many investors. The incident also heightened the risk of a financial downgrade, which we as a country don't need. It is in this context that the business and government dialogue is heartening. In a typical South African way, we saw all sides rise to the occasion, face the world in Davos and then come back home to continue the collaboration. Investors, while reading all of these as good signs, are now waiting with bated breath to see what comes of it.

It is natural for the relationship between capital and the government to be laced with tension, but equally, it is clear there is plenty of common ground and goals that should underpin the relationship.

The education and training sector is a key area in this regard. This necessitates that the public sector produces the skills the business community requires. On the other side, the private sector has to hire the graduates churned out by relevant institutions. I was not privy to the detailed discussions between the parties but can imagine that education and training must have topped the agenda. This is an obvious area where a future reservoir of skills can be built to shield us from rough times.

And it is in this realm that the Human Resources Development Council plays a pivotal role. At its latest meeting, the HRDC will focus on key areas designed to boost movement of the National Development Plan. This includes key areas such as strengthening and supporting technical vocational education and training colleges (TVETs), boosting intermediate skills, in particular artisan skills, and increasing the pool of professionals.

With the government's focus on key economic sectors, such as the blue economy, the HRDC's deliberations give impetus to finding a way out of the morass of the debilitating low economic growth. Some of the HRDC's deliberations will start the upcoming second HRDC Summit 2016 at Gallagher Convention Centre on March 29-30. At this summit, the HRDC made a call to all social partners to participate to ensure the required human capital was developed through responsible agencies to achieve the desired economic growth and thus reduce the three social ills of unemployment, poverty and inequality.

We have 24 universities, 50 technical and vocational colleges and thousands of listed and unlisted companies with significant turnover. The collaboration between these companies and the relevant Setas (sector education and training authorities) can easily produce a Marshall Plan that can see a financial plan for each of the universities and TVETs.

Through creative public/private partnerships, surely all students can be funded, even before we resort to blanket free education based on limited state resources? Surely the amount of money that should be spent on skills development and corporate social investment (CSI) in the private sector can be properly directed to ensure that not only universities, but also TVET colleges, are sustainably funded?

With the amount of money that the private sector has not released for investment, there should be no reason why primary schools are not equipped with top-of-the range science laboratory equipment and libraries to ensure our future workforce and, for that matter, our children, are exposed from the outset to the best.

A cursory analysis of what business spent on CSI on education reveals a staggering amount that extends into the billions. The Kaelo and Triologue reports on CSI spending

on education showed such spend has multiplied since 1994, underlining that business consciousness for expenditure on education has risen tremendously.

The difficulty is poor co-ordination and lack of common investment strategies in education between the private and public sectors, and within the private sector itself. This results in pet projects guided merely by the interests of some chief executives without considering the long-term impact.

On a few occasions, communities not involved in the setting up of laboratories and libraries end up looting and burning these facilities because of the lack of ownership and consultation.

Other undesirable scenarios are tick-box investments where educational investments are not placed in the right places or not according to community or industry needs. The worst example is where a government department denies or reduces budgets to schools which have received private sector help, further impoverishing those schools when the private sector funding dries up. This lack of common purpose between business, government and communities is what sits at the heart of the current lack of resources for education, and not the absence of resources.

At the Merseta (Manufacturing, Engineering and Related Services Seta) this year alone, we have made millions available for higher education initiatives as part of our contribution to education resourcing.

We challenge all stakeholders to do something concrete to ensure we don't leave funding to the government alone. We believe a better partnership can be struck between the government and the public sector to rescue education.

Mentorship and apprenticeship must now be made mandatory for business because even though it is an obvious bridge to deal with the skills deficit, it does not occur naturally for companies to make it an essential part of their DNA.

And so in these meetings, where commitments are made, this solution has to feature very strongly to create an environment in which more and not fewer young people can be absorbed into the job market to gain experience at all levels.

Until this is declared a crisis, little will happen to change the current skills impasse where experience is needed from those who have not had the opportunity to be gainfully employed. During a crisis, such as ours, there may be the temptation to reinvent the wheel, but the solutions for economic development have been with us for a long time. What is lacking is the political will for business and government to team up rather than see each other on opposite poles of the economy.

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