



# Higher Education Transformation Network

Presentation to British Council 3 Year Research Project on  
Higher Education Briefing Session

Park Inn Hotel, Sandton

**Employability and Inclusive Development**

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# About the HETN

- Independent network of alumni from various univs and FET Colleges across South Africa
- Committed to transformation of education and training.
- Lobbying, providing policy advocacy and promoting quality research output
- In collaboration with govt, tertiary institutions, private sector and development agencies
- Improve access to higher education

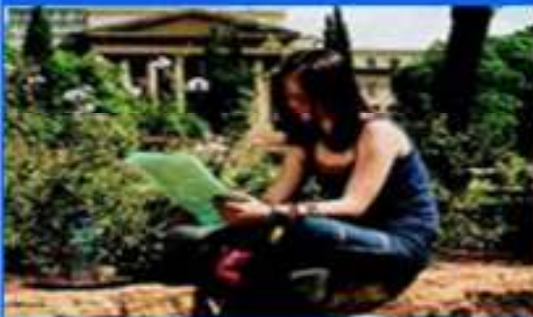
**Quality RESEARCH for Higher Education Transformation**



# Objectives of Presentation

- Link between employability and access to education
- To discuss the link between Labourforce Education, Employability and Income Levels
- Labour Productivity and Education levels
- Unemployment & Poverty

## Free Quality Higher Education for Poor Communities



# Link between Skills, Education & Labour Productivity

- Strategic link exists between national educational levels, literacy, economic competitiveness as well as individual income
- Nelson and Phelps (1996: 69 -75) macro-economic growth & investment levels of nations are complementary with the educational levels of the nation's workforce corps.
- In information-based economy cognitive abilities of individuals to analyze and process new information is key.
- More educated or trained individuals are generally more
- productive & innovative (Boddy *et al*, 2005; Dearden *et al*,2005)



# Link between Labourforce Education, Employability & Income Levels

- Rodrik (2006:14) - Higher education is correlated with better employment outcomes and greater labour market participation.
- Rodrik (2006: 14) – It takes a completed university degree to mostly escape unemployment in South Africa”.
- Lloyd-Ellis (2000: 3) - Countries where tertiary education for dependants is responsibility of parents (as opposed to state), parental incomes affect the human capital acquisition of dependants.
- Children of parents who cannot afford quality tertiary education are most likely not to send their offspring to tertiary education leading to low future earning potential for the offspring.

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# Link between Labourforce Education, Employability & Income Levels

- **Trained skilled workers derive value to employers due to:-**
- **Innovativeness**
- **Easily harness new technologies and production methods**
- **Have greater problem-solving and communication**
- **Learn faster, adapt better to changing economic**
- **Are generally more productive (Coulombe *et al*, 2004)..**



# Link between Labourforce Education, Employability & Income Levels

- Dearden *et al* (2005) & Boddy *et al* (2005) - Nations more endowed with skills tend to harness and utilize existing technology more efficiently & entrepreneurs apt to become better innovators.
- Schwerdt & Turunen (2007); Baldwin and Gu (2007) - European Union countries & Canada have gained a substantial increase in labour productivity of employees due to improvements in educational backgrounds of their national labour corps (labour quality)



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# Link between Labourforce Education, Employability & Income Levels

- **Endogenous Economic Growth Theorists**
- Barro (1991), Mankiw and Weil, (1992), Dowrick, (2002), Akinlo (2006) and Landau (1983) –
- National macroeconomic growth can be achieved by increasing internal production capacity (exports).
- Only through sustained investment in labour corps skills can higher economic and productivity growth be attained.

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# South African Youth Unemployment

- Nattrass (2001: 1) - Households without any members in employment are typically poor & households with unemployed members and no pensioner are the poorest of the poor (Seekings, 2000).
- Banerjee *et al* (2006) – Many Households still survive the hardships of unemployment due to the state old age pension system.
- Posel, Fairburn & Lund (2004); Edmonds, Mammen &
- Miller (2003)



# South African Youth Unemployment

**Banerjee et al (2006:17) –**

- Youth form majority of the unemployed.
- Job Search Success Affected by:-
  - Geographical Location (Distance from Job)
  - Rural vs Urban Location
  - Social Class of Workseeker
  - Functional Area and Type of Qualification
  - Literacy and IT Literacy
  - Quality of Post- School Education
  - Access to Personal Networks
  - Labour Market Discrimination Patterns



Creating the Path for the  
**LEADERS of TOMORROW**

# SA Youth Unemployment Trends

- Job transitions by urban Africans (from outlying township areas) from informal to formal sector jobs are rare due to latent discrimination against the employment of African workers.
- Employment is increasingly a function of social networks. Young unemployed persons from different neighbourhoods and social classes will have varied access to jobs.
- Youth unemployment characterized by segmentation



# Conclusion

- Provision of stipend subsidies for SMME employers for experiential learning
- Increased subsidies & recapitalisation of NSFAS
- Compulsory experiential learning by state and private sector employers
- Increased access to poor African youth from underdeveloped schools with good marks
- Centralization of Admission
- Transformation Scorecard
- Apartheid University reserves to be shared
- Utilisation of Telematics & E-Learning for poor communities



Thank You

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