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► **Embedding skills policy in economic development policy: reflections on the COVID-19 skills strategy adopted in South Africa**

In South Africa, the COVID-19 pandemic induced ruptures aggravated the systemic problems of TVET and in particular that of work-based learning. National COVID-19 responses as outlined in the Economic Reconstruction and Recovery Plan (ERRP) provided an opportunity for shifting away from simple supply-demand dichotomies regarding skills. Rather than skills being instrumental to the demand of the economy, skills development is considered an integral and mutually beneficial part of economic development. Thus, the COVID-19 skills strategy advocates skills policies, planning and provision as embedded in economic development, to support economic growth and development interventions. The text highlights how the crisis-induced new approach may be transferred into mid-term strategic alignments and describes the core interventions.

The COVID-19 pandemic has affected how we live, how we think, and how we work. It has also affected the ways in which skills are produced. Here I am referring to skills in the broadest sense of knowledge and ability to work. In South Africa, COVID-19 hit the Technical and Vocational Education and Training (TVET) system hard. TVET colleges were badly affected by the lockdown, with few having the necessary facilities for online learning and few students having the prior educational background that makes this solution viable, never mind access to devices and data and a quiet place to participate in a class (ALLAIS/MAROCK 2020).

Workplace experience and workplace-based training have been long-standing challenges for South Africa and in the current context have become even more difficult. In employer-based programmes, including apprenticeships, there was obviously no teaching and learning during the lockdown period. As the economy opened up, employers were reluctant to take on trainees because of the restrictions on the number of workers allowed in different work spaces. Another crucial factor affecting workplace-based training, work experience, and other vocational skills development programmes is funding. The skills levy which em-

employers pay to the government was suspended for four months, making the funding of workplace experience programmes difficult.

But one thing has not changed: the hope that Vocational Education can fix the economy. In many countries we see an emphasis on Vocational Education as necessary to support economic recovery and individual livelihoods (WORLD BANK 2020). Linked to this is a set of “rules and tools” which are supposed to facilitate better analysis of demand for skills and, therefore, better production of appropriate skills. In South Africa, since 1994, a range of policies, systems, and institutions have been created aimed at improving skills anticipation so as to ensure that skills “supply” is meeting demand in the economy. We have many years of attempting to analyse skills demand mainly through aggregation of employer-specified vacancies, which has its own specific problems. We have a strong emphasis on the production of lists of skills that are in demand or are scarce. And we have many structures and systems for formal engagement with stakeholders, including a National Human Resource Development Council, a National Skills Authority, Sectoral Education and Training Authorities, and a national forum for engagement between employers and unions, including on skills issues (Nedlac) (ALLAIS 2013; ALLAIS et al. 2017).

All of this has born little fruit. While there are improvements in pockets of the system, many systemic problems remain. Most worryingly, the idea that the skills system is not producing the skills required by the economy persists. Of course, our systems for determining what skills are in fact required by the economy are weak and very dependent on employers specifying current vacancies or gaps, which makes it a weak system for analysing future requirements as well as limited by employers’ analyses.

I suggest that among the various problems with our skills system, the one problem which persists is a strong separation between thinking about “supply” through the skills system (including schools, universities, public TVET colleges, a range of private providers, and programmes to support training in workplaces) and thinking about “demand” in the economy. The COVID-19 skills strategy, a strategy born out of a crisis, provides some important insights in how to start shifting away from simplistic ideas of supply and demand.

The COVID-19 skills strategy aims to make sure that the Economic Reconstruction and Recovery Plan¹ (ERRP) is supported and that no aspect of it is compromised by skills shortages. The ERRP was passed by the South African Government in October last year. It is a short-term strategy designed to actively change the economy by focusing on aggressive infrastructure investment; employment-orientated strategic localization, reindustrialization, and export promotion; energy security; tourism recovery and growth; green economy interventions; mass public employment interventions; and strengthening food security. The COVID-19 skills strategy was designed to create a balance between the short- and long-term

1 See https://www.gov.za/sites/default/files/gcis_document/202010/south-african-economic-reconstruction-and-recovery-plan.pdf (Retrieved on 15.09.2021).

skills needs of the country and ensure that the skills system is strengthened with its implementation.

The policy offers some insights in how as educationalists we can start shifting away from simplistic ideas of supply and demand, and start seeing economic development and skills development as mutually embedded, as opposed to separate, processes.

The first point here is that the Economic Recovery and Reconstruction plan is specifically focused on creating demand – on structural economic change. To date, skills policy has often been seen as a policy to lead to economic growth or to catalyze economic growth. For the first time, with the COVID-19 skills strategy, we have an economic development policy that is explicitly aimed at generating economic growth and development, and the skills policy has been developed as part of this and in support of it. This alone is new in South Africa and worth noting. Whether or not the ERRP itself will be successfully implemented is a different question, but the point is worth highlighting because we will never build successful Vocational Education if we do not have policies for structural economic change.

The policy does not have an embedded consideration of skills. But when we at the Centre for Researching Education and Labour were asked to work on the skill strategy associated with the ERRP, we set ourselves the task of considering what could be done in the education and training system as part of this strategy to support it but also to use it to build the education and training system.

Therefore, the COVID-19 skills strategy consists of a set of core interventions as well as a set of systemic interventions, and they give some ideas of how we could think differently about skills supply and demand – to see skills policy, skills planning, and skills provision as embedded within economic development, instead of either as an add-on, or a catalyst to, or a prerequisite for economic development.

There are six interventions focused on the immediate provision of the skills required by the ERRP, or the skills which will be required if the interventions of the ERRP are successful.

The first one is access to targeted skills programmes. This does not sound new – the development and provision of short-term relevant training programmes is a long-standing policy goal. What is different here? The COVID-19 skills strategy proposes two specific short-term adjustments to quality assurance requirements for qualifications and programmes in targeted sectors as well as short-term adjustments to funding mechanisms to ensure funding is directed at immediate training needs (related to demand). The idea is that these models will only be implemented for required skills associated with specific ERRP sectors and interventions, where there is support from industry bodies or government departments, so the initial focus of this intervention is primarily on the digital space (and within this, those related to the global business service industry). These will not destabilize the quality assurance system but will ensure that there is faster responsiveness together with quality assurance in targeted sectors. If these alternative quality assurance approaches work, they could be scaled up in the medium to long term.

The second intervention is updating or amending small components of existing technical and Vocational Education programmes to demand in key sectors within the ERRP. Here we see an intervention focused on programmes that are currently being offered in the TVET colleges and in some targeted instances, universities, especially Universities of Technology and Comprehensive Universities, where they offer relevant certificates and diplomas that relate to sectors within the ERRP. The intention of the intervention is to ensure that the existing programmes that can be better aligned to stated priorities and are assisted in making required adaptations and to better ensure work readiness – e.g. the installation and maintenance of ventilators as part of a new and urgent short-term skill requirement within broader qualifications.

The third intervention supports access to workplace experience. It focuses on occupations in which sectors indicate that the reason for the skills mismatch is an absence of experience. The fourth intervention is retraining and up-skilling to preserve jobs. Again, this is not new, but in the COVID-19 skills strategy, it is built into the specific mechanisms of the ERRP. As part of the job summit held in 2019, the Temporary Employment Relief Scheme (TERS) was introduced. A new funding window was created through the Sectoral Education and Training Authorities to support retraining for workers who lost their jobs. An intervention of the COVID-19 strategy, therefore, builds on this to align skills training and efforts to grow firms and sectors.

The fifth intervention is increased access to programmes resulting in qualifications in priority sectors (increasing enrolments to meet medium-term skills needs). This intervention consists of directing short-term urgent funding towards increasing enrolment in specific qualifications and occupations in sectors and areas selected for intervention through the ERRP. The sixth intervention supports existing policies to import skills identified on the List of Critical Occupations.

Furthermore, there are four enabling interventions which aim to support the system as a whole to make the short-term interventions in ways that contribute to it, not compromise it, in the long term. Of these, the most important for the current analysis is the intervention eight, “Embedding skills planning into sectoral processes”. The essence of the intervention is ongoing focused engagement to determine, on a regular basis, skills required for growth and recovery. This could be achieved thanks to Masterplan structures in the industries where they exist; where they do not exist, DHET and SETAs will engaged with industry to identify the most appropriate structure. These are the examples of looking at actual sectors, actual workplaces, and ensuring that policy is responsive, that skills needs are determined based on collective analysis over time by employers and educationalists, and that provision is jointly planned and implemented.

This is a moment for thinking about all the moving parts of the economy, and the institutional configurations and systems that shape skill formation as we move forward with a COVID-19 overlaid on a weak economy. We need to build and support institutions that are capable of meeting demand. This means institutions that can offer broad vocational quali-

fications that include components of general education and components of locally needed skills, shorter accredited programmes that are recognised by employers and professional associations, and less formal, responsive short courses. Building institutions that can offer this range of programmes in dynamic and meaningful partnerships with employers and communities which requires long-term funding and a focus on institution-building as opposed to regulating and quality assuring.

We need skills to be incorporated in the industrial policy process instead of them being considered as an add-on or something exogenous. One implication of this is the need for industry or sector specific, as opposed to general, strategies. In South Africa, for example, we have so many funding and incentive mechanisms, but they are blunt and one-size-fits-all not taking into account specific needs of different sectors and industries.

We need to think about the quality of work and organisation of workplaces as well as skills development in industrial policy and in different economic sectors' strategies.

Partnerships are critical, especially the role of employers, because skills are built and developed in the economy and society and not simply supplied exogenously to the economy or to the labour market by educational institutions.

This, in turn, requires a better balance between coordination and supporting a flourishing of provision as well as a more flexible system that also supports institution-building, and finally, more holistic TVET that focuses on occupational streams and clusters with strong qualifications that allow some local flexibility rather than only narrow job preparation while supporting companies in developing highly specific skills and *also* TVET institutions in offering short training programmes. This needs to be done in line with an economic recovery plan focused on jobs.

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