

NATIONAL

## Govt to set up skills quota

Matuma Letsoalo

5/28/2004 7:59:00 AM

The government's plans to fight unemployment and poverty in the country gained momentum this week when Minister of Labour Membathisi Mdladlana announced the establishment of a set of 21 employment agencies to fast-track the recruitment of previously unemployed youth into the labour market.

The creation of the Employment and Skills Development Lead Employer (ESDLE) agencies comes just a week after President Thabo Mbeki launched the expanded public works programme set to create more than one million jobs in the next five years.

The ESDLE initiative is an attempt by the government to get young people, in particular those in rural areas, placed at companies where they can gain work experience and skills.

The challenge for South Africa to fight unemployment is intensified by the fact that the country's workforce is predominantly low-skilled.

"About 40% of our population has no education at all. Even if we were to create 200 000 jobs now, these people would not be employed," Mdladlana told the Mail & Guardian in an interview this week.

With no formal employment growth to replace job losses and accommodate new entrants to the labour market, unemployment remains the biggest threat to the fight against poverty in South Africa.

"Our government is concentrating on two economies. There is no other country in the world where the government would publicly say that we want the first economy to grow — because it is that first economy that will [ensure] we are able to create jobs in the second economy.

But we also want our people to get out of the second economy mode by implementing a whole range of structures. Yes, few jobs have been created. We accept that and the reason is also simple.

"There are 400 000 matriculants that we produce per annum and only a small percentage of them — about 30 000 — get exemptions and go to universities.

"What happens to the [other] 370 000? They go into the labour market. But over and above that, we have a big chunk of our youth now in the universities and they get out with degrees, but they can't get jobs.

"It means we need to change our own strategies because we cannot have the same strategy for the first economy as the second economy."

While unions and labour experts support the government's approach to addressing unemployment through skills development, they argue that it should not be the only focus.

"It is essential to create low- as well as high-end employment," said the Human Sciences Research Council's Anna McCord.

The Congress of South African Trade Unions said the country will not succeed in its objective of cutting unemployment and poverty in half by 2014 without fundamental reviews of economic strategies.