

SECOND CARNEGIE INQUIRY INTO POVERTY
AND DEVELOPMENT IN SOUTHERN AFRICA

Urban black unemployment and
education in the Eastern Cape

by

David Gilmour and André Roux

Carnegie Conference Paper No.120

David Gilmour has been funded by the C.S.I.R. and André Roux by the Carnegie Foundation. This support is gratefully acknowledged.

ISBN 0 7992 0779 9

I INTRODUCTION

This paper is based on a questionnaire survey which was conducted among 187 Black households in Port Elizabeth and Grahamstown during the initial months of this year. Separate and detailed questionnaire type interviews were held with more than 500 of the adult members from the households in the sample. In addition, a number of employers from manufacturing industries were interviewed towards the end of 1983.

This field work, which is part of a larger survey as yet uncompleted, has inter alia the following objectives. Firstly, there was a need to gather basic demographic and socio-economic data about Blacks in the field area. Secondly, the study aimed to "map" the nature and extent of unemployment in the area. Thirdly, the labour market was examined in detail to establish the surpluses and shortages of skills, the requirements of employers, and the expectations of workers. Finally, the attitudes of parents, pupils, and employers towards education as a means of mobility were examined. This paper details some of the findings.

Section II briefly describes the methods which were used in the surveys and outlines some of the basic results which were obtained. It is apparent from the household survey that unemployment is not only a rural phenomenon, but extends to the urban areas as well. Moreover, the dimension of the problem in urban areas is not entirely dissimilar from that in rural parts. The survey shows that in both Port Elizabeth and Grahamstown unemployment is approaching the 40% level.

This section also contains a summary of some of the findings or issues such as incomes, income distribution and poverty, and the impact of unemployment on them. Although these are not central concerns of this paper, it seemed appropriate in view of the focus of the conference to include reference to them.

Section III deals with the nature of unemployment. The first part, which is purely theoretical, argues that the current debate on unemployment is misconstrued in a number of ways, and in particular that the theoretical differences between structuralists and voluntarists do not really amount, as is usually assumed, to dissent about the existence or otherwise of involuntary unemployment, but to disagreements with regard to the range of factors which

constrain the choices open to individuals. The second part of this section analyses the implications of the results from the household survey for voluntarist and structuralist type models of unemployment. This essentially consists of investigating whether the differences between the employed and the unemployed are explicable in terms of a model which emphasises individual choice or not.

Section IV looks at two major aspects of the education and employment debate, both of which are said to contribute to unemployment in South Africa. The first of these is the alleged mismatch between education and job requirements, and the second the "mismatch" between job expectations and job opportunities. These diagnoses have led to specific policy measures in South African education which are designed in the first case to provide the skills said to be required by employers, and in the second case to re-channel ambitions of school-goers to more "realistic" levels. This section is concerned with examining the accuracy of the diagnosis and hence the likely efficacy of the policy measures.

NOTE: It should be noted that sections III and IV of the paper have not been finely integrated. As is evident from these sections, the authors here focus on different aspects of unemployment. However, the area of common concern was such that the co-operation and economies of scale initiated in the survey work have been extended to this presentation of basic and interim results.

II UNEMPLOYMENT

A Sampling Methods

A quota sampling technique was used in the household survey. This involved selecting a number of plots randomly and then interviewing all the households and household members on each selected plot. To date the survey has covered 187 households.

The head of each household was initially interviewed briefly, in order primarily to find out who the household members were. Each adult member (age 15 and above) was then interviewed separately, according to whether they were employed, unemployed, or school-goers. Different questionnaires were used for each of the three types of member. Altogether, 220 employed, 163 unemployed and 137 school-going individuals have been interviewed thus far. Most of the tables presented in this paper were drawn from the data collected in this manner.

The interviews conducted with the other adults in each household, namely those who are non-economically active or those who were either unwilling or unable to sit for a detailed interview, were mainly designed to gather basic demographic and income data. A total of 187 interviews of this type have been conducted.

During the survey the following working definitions were used. Those who worked full-time, whether formally or informally, were classified as employed. The unemployed consisted of those who did not have full-time work but who were either willing to do full-time work or were currently engaged in part-time work. The rest were classified as non-economically active. Only those scholars occupied in full-time education were interviewed.

In addition to the above household survey an interview survey among employers is also in the process of being conducted. As yet it is not complete, and thus far some 43 employer in the manufacturing sectors of Port Elizabeth and East London have been interviewed. Some firm patterns seem to be emerging and where relevant these are discussed in section 4.

B Basic Socio-Economic Data

1) Economic Status

In basic demographic terms the sample population from the household survey seems fairly normal. Adults (15 years and above) form 67% of the total population. The mean household size equals 6. This means that on average each household contains 2 children and 4 adults. The table below shows the distribution of the economic status of adults.

Table 1 Economic Status of Adults

	All Adults	Grahamstown	Port Elizabeth
Employed	36.6	33.7	39.1
Part-time Employed	1.7	1.9	1.5
Unemployed	23.9	22.2	25.2
At School	22.0	24.4	20.1
Other N.E.A.	15.8	17.7	14.1
Total	100. %	100. %	100. %

Almost 38% of them are non-economically active which is somewhat lower, especially in the case of Port Elizabeth than one might have expected. It is for this reason that the employed form a larger fraction of the adult population in Port Elizabeth than in Grahamstown. This is further reflected in the dependency rates which are 4.4 and 3.9 in Grahamstown and Port Elizabeth respectively.

1f) Unemployment Rates

The most startling result to emerge from the household survey undoubtedly concerns the level of unemployment. Table 2 gives the distribution of economic activity among the economically active by sex and geographic distribution. The unemployed consist of those individuals who do not have, but are seeking, full-time work. The part-time employed are those who only do part-time work and do not desire full-time work.

Table 2 Economic Activity by Sex and Place

	Grah. Males	P.E. Males	Grah. Females	P.E. Females
Full-Time Employed	73.4	75.8	46.6	43.9
Part-Time Employed	2.5	.8	3.9	3.8
Unemployed	24.0	23.4	49.5	52.3
Economically Active	100. %	100. %	100. %	100. %

Male unemployment rates lie in the region of 24% and female rates around 50%. This means that the overall unemployment rates in both Port Elizabeth and Grahamstown are in excess of 38%.

High unemployment rates are to be expected in Grahamstown. During the seventies the population increased rapidly whereas employment opportunities only expanded marginally. Even so, the rates indicated by the survey are somewhat higher than anticipated. The unemployment rates for Port Elizabeth, which are remarkably similar to those of Grahamstown, come as a surprise. While the recession would obviously form part of the explanation it cannot be entirely responsible for such extremely high rates.

Alternative ways of delimiting the unemployed do not seriously affect the conclusions derived from the table 2. For instance, male unemployment rates decrease by less than 2 percentage points if individuals who do any part-time or casual work are excluded from the unemployed. Only in the case of Grahamstown females does such a change of definition affect the unemployment rate significantly; that is, by 8.7 percentage points.

iii) Age and Household Characteristics

Table 2 also shows that unemployment is more concentrated among females. The following table demonstrates that unemployment is also age selective.

Table 3 Age by Employment Status

	Unemp. Males	Emp. Males	Unemp. Females	Emp. Females
15-24	46	21	31	11
25-34	30	31	36	30
+35	24	48	33	59
Total	100 %	100 %	100 %	100 %

Similar patterns have been observed in other studies as well.

The table below shows that the employed are also more likely to be junior members in households, single and childless.

Table 4 Household Characteristics by Employment Status

Household Status

	Unemp. Males	Emp. Males	Unemp. Females	Emp. Females
Senior Member	24	55	41	65
Junior Member	61	34	52	31
Other	15	11	7	4
Total	100 %	100 %	100 %	100 %

Marital Status

	Unemp. Males	Emp. Males	Unemp. Females	Emp. Females
Married	22	56	34	46
Widowed/Divorced	0	6	17	19
Never married	78	38	49	35
Total	100 %	100 %	100 %	100 %

No. of Children

	Unemp. Males	Emp. Males	Unemp. Females	Emp. Females
None	65	25	37	17
1 - 2	15	35	41	30
+ 2	20	40	22	53
Total	100 %	100 %	100 %	100 %

The correlations in the case of males are particularly strong. For females the pattern is still apparent, though far less pronounced.

iv) Education

Table 5 provides some information on the educational levels attained by the employed and the unemployed.

In the case of males, the employed are slightly better educated than the unemployed. The small number of employed individuals with no education constitutes the only exception. Unemployed males are to a very large extent concentrated among the higher primary standards.

Table 5 **Education by Employment Status**

	Unemp. Males	Emp. Males	Unemp. Females	Emp. Females
None	-	3	6	17
Sub A - Std 2	9	9	13	12
Std 3 - Std 5	46	26	32	34
Std 6 - Std 7	22	28	25	16
Std 8 - Std 9	17	24	17	16
Std 10 +	7	9	6	6
Total	100 %	100 %	100 %	100 %

The pattern among females is more confused. There are clearly more employed females with no education than unemployed females. On the other hand, unemployed females are more likely to have attended school at the junior secondary level than employed females. So the unemployed females are marginally better educated than their employed counterparts. But that margin is very narrow indeed.

C Welfare and Unemployment

1) Income

The average per capita income level in Grahamstown amounts to R58 per month. This contrasts with a level of R101 in Port Elizabeth. These differences are obviously explicable in terms of different wage levels. The average full-time wage in Grahamstown is R64 per week for males and R35 per week for females. In Port Elizabeth the average weekly wages are respectively R105 and R56.

Table 6 shows how incomes are distributed among households. The per capita income calculation is based on the number of adults or equivalent (2 children equal 1 adult) in each household. This gives a better estimate of welfare than ordinary per capita measures. Income is measured on a monthly basis.

Table 6 Household Distribution of Per Capita (Adult Equivalent) Income.

	Grahamstown	Port Elizabeth
0 - 20	27	12
21 - 40	26	6
41 - 60	15	9
61 - 80	15	23
81 - 100	6	11
101 +	12	38
Total	99 %	99 %

Grahamstown has a large number of households with relatively low per capita incomes. A full 68% of them have a per capita income level below R60 per month. The latter per capita figure translates, assuming that the average household contains the equivalent of 5 adults, into a combined household income of R300 per month. The household subsistence level for similar sized households may be taken to approximate this figure. In Port Elizabeth 27% of all households fall into a similar position.

Table 7 indicates that there is a strong correlation between the employment status of an individual and the corresponding household per capita income.

Table 7 Per Capita (Adult Equivalent) Income by Employment Status

	Unemp M	Emp M	Unemp F	Emp F
0 - 20	21	1	24	10
21 - 40	25	8	16	16
41 - 60	14	13	21	13
61 - 80	14	24	16	21
81 - 100	17	10	9	7
101 +	9	44	14	33
Total	100 %	100 %	100 %	100 %

As expected, the unemployed are concentrated in households with relatively low incomes. Table 8, which gives the distribution of adult equivalent dependency ratios (adult equivalent household size divided by number of full-time

earners), shows further that unemployment is an important determinant of the pattern of income distribution.

Table 8 Dependency Ratios by Economic Status

	Unemp M	Emp M	Unemp F	Emp F
0 - 2	12	32	12	38
2.25 - 4	36	57	45	49
4.25 +	33	12	20	13
No earners	19	-	23	-
Total	100 %	100 %	100 %	100 %

Roughly 20% of the unemployed belong to households with no full-time earners. These households in turn constitute the majority of those with very low per capita income levels. In addition there is a concentration of unemployed individuals in households with very high dependency ratios, and therefore probably low incomes.

The impact of unemployment on economic welfare is also reflected in subjective attitudes. Of the unemployed who had a definite opinion either way, 84% felt they were worse off than three years ago. Only 42% of the employed felt the same way.

It should be quite clear from the evidence above that a reduction in unemployment would have a significant impact on the distribution of income and therefore poverty.

ii) Resources

In this regard it is instructive to look at the composition of aggregate income.

Table 9 Composition of Income by Type of Earnings

	Grahamstown	Port Elizabeth
Full-time Earnings	87	94
Part-time Earnings	6	3
Transfer Incomes	7	3
Total	100 %	100 %

Virtually 90% of all incomes are derived from full-time work. Part-time earnings, which consist of all the earnings received for part-time formal or informal work, irrespective of the economic status of the earner, constitute a rather small fraction of total income. Transfer incomes make up a similar proportion. Thus in aggregate terms, welfare in both Port Elizabeth and Grahamstown, but to a slightly lesser extent in the latter, depends primarily on full-time wage earnings.

It is therefore not surprising that 80% of the unemployed rely mainly on the earnings of other household members in order to survive. A further 9% maintain themselves on the basis of part-time or casual work. Transfer incomes, dissaving and other sources of income account for the other 11%.

It would also appear that the role, which is supposedly assigned to the informal sector in this connection, seems greatly exaggerated. Only 2% of the unemployed males and 10% of the females engage in any informal work. Even in Grahamstown, where informal activities are fairly visible, fewer than 16% of the unemployed females are involved. The informal sector also fails to draw many full-time participants (2% for males and 7% for females).

iii) Duration of Unemployment

The duration of unemployment is often very long. This may be expected in the light of the recession. But again, it seems unlikely that the recession can account entirely for the fact that over 50% of all unemployment lasts in excess of one year.

Table 10 Duration of Unemployment

	Male	Female
0 - 6 mths	36	22
7 - 12 "	14	26
12 - 24	29	23
24 +	21	30
Total	100 %	100 %

The similarity between the duration of unemployment for males and females is also puzzling. One would have expected females, as a result of the much higher level of unemployment, to suffer from much longer spells of unemployment than males.

The unemployed, especially males, appear to search fairly intensively for work. 89% of the males and 72% of the females reported that they go out looking for work at least once a week.

Table 11 Frequency of Search

	Male	Female
weekly	89	72
monthly	2	8
never	9	20
Total	100 %	100 %

A number of those who never go out looking for work also take no other active steps to find work (6% and 16% of all unemployed males and females respectively). The majority of these expressed the belief that search was futile. There is thus some indication in the sample of a demoralization effect, of some people withdrawing from the market because they hold no hope of finding employment.

In the subsequent sections of the paper we use some of the above and other data to answer certain questions about the nature of unemployment and the role of education.

III UNEMPLOYMENT AND EMPLOYMENT

The initial part of this section deals with a discussion of some conceptual issues. The rest is concerned with the implications of the results from the household survey for various models of unemployment. We were not able to integrate the results from the employer survey into this analysis.

A Conceptual Issues

It is widely accepted that even in the analysis of long-run unemployment it is worthwhile to draw a distinction between voluntary and involuntary unemployment. This view exists despite the fact that the latter term has not yet received a satisfactory definition. We argue below that the term cannot be defined adequately and that it should therefore not be used in long-run analysis.

This rejection of the notion of involuntary unemployment need not, however, amount to an acceptance of the natural rate hypothesis or the view that there is no long-run unemployment problem in South Africa. Such an acceptance would only arise from a perpetuation of the usual, but nevertheless incorrect identification of structural unemployment with involuntary unemployment. The concept of structural unemployment and its associated theories can stand quite independently of whether one decides to call the people involved voluntarily or involuntarily unemployed. There is no contradiction in saying that a person is both structurally and in some sense voluntarily unemployed.

A note on terminology before we proceed. The phrase "voluntary unemployment" has obvious offensive connotations. Its use in referring to the unemployed can also unwittingly encourage the belief that the unemployed are, as the Rickert Commission put it in referring to the urban unemployed, too work "choosy", or even worse, "workshy". For these reasons we prefer, unless necessary, to use the more neutral expression "unemployment."

i) Involuntary Unemployment

According to everyday usage, the difference between voluntary and involuntary unemployment seems to hinge on whether the individuals involved have a choice

over their employment status or not. However, as Gerson points out, "it is tautologically true to say that subject to the constraints all economic decisions are voluntary."⁽¹⁾ More concretely, every unemployed person faces some choices, one for instance being the choice between being unemployed and working, say, for a friend at some very low wage. This means that every unemployed person is in some sense voluntarily unemployed. It also implies that the common sense version of the term involuntary unemployment is a vacuous concept.

However, the distinction between voluntary and involuntary unemployment as drawn in everyday language does not correspond to that found in economic analysis. In short-run Keynesian economics, involuntary unemployment is defined as the unemployment associated with an individual who is willing to work at existing wage rates, but is unable to find a job at these rates.

While this definition appears to be clear, and is useful in short-run macroeconomic analysis, it is riddled with ambiguities when applied in the long-run development context. In developing countries wage rates are usually not unique. For example, even within the urban areas there seems to be at least three distinct wage sectors, that is, the high wage capital intensive sector where the labour market is often characterized by a lack of competition, the fraction of the formal sector which encompasses the labour intensive industries and services where the labour market is somewhat more competitive, and the low wage informal sector. Clearly, before it is possible to decide whether a person is willing to work, it is necessary to specify norms with regard to the kinds of wages that the person might be expected to accept. But which of the wage levels in the example above represent the "existing wage rates"? Moreover, also in terms of non-wage characteristics such as skill requirements, work conditions and the like, the available jobs in the economy constitute an extremely heterogenous collection. So there is a need for job norms as well.

In industrial countries occupational structures are fairly stable over the short period. There is for instance a high probability that a person retrenched during a recession will eventually regain a job very similar to the one lost. It is therefore possible to use previous occupation as a basis for the required wage-job norms.

This concept of involuntary unemployment, which incidentally carries no suggestion that the individuals concerned have absolutely no employment alternatives available at all, fits naturally into Keynesian economic analysis. One of the purposes of the theory is precisely to account for short-run recessionary labour market failures of the kind where workers, willing to do the jobs they usually do, are unable to find them. But this concept is unsatisfactory in the context of development economics where the long-run is of central concern, and hence occupational structures are subject to considerable change. For instance, throughout the 'seventies thousands of farm workers left agriculture and moved, or rather tried to move, into alternative occupations. Simkins argues that this shift out of agriculture is one of the key determinants of long-run unemployment in South Africa. To classify the unemployed among ex-farm workers as voluntarily unemployed because they are in the process of changing their occupation would render the concept of involuntary unemployment irrelevant to long-run unemployment theory.

The latter point is important. To a certain extent one can define terms in whatever manner one desires. But to define them in such a way that they are simultaneously clear and theoretically useful is altogether more demanding. If involuntary unemployment is to be a fruitful concept then it must constitute the object to be explained by the sorts of suggestions and theories which have thus far been advanced in order to account for the rising unemployment trend in South Africa and other developing countries.

An any-job-at-any-wage norm will also not serve as a discriminator between voluntary and involuntary unemployment because it reduces to the distinction found in everyday usage, namely that a person is involuntary unemployed if, and only if, the person is willing but unable to find any job at any wage.

More subtle norms which would, for example, classify an unemployed female in the homelands who is quite willing to do the kinds of jobs done by urban females, at possibly substantially lower than current urban wages, but who is unable to migrate to the urban areas and unable to find all but the most wretched sort of homeland job as involuntary unemployed, as presumably structuralists would want to, simply seems impossibly difficult to specify.

The apparently unbridgeable hurdles which hinder the way to a useful and rigorous definition of involuntary unemployment provide, we believe, good enough reasons for abandoning the concept altogether. We also accept that in

some existential sense all unemployment involves a voluntary component.

This might strike structuralists as a major concession to the long-run natural rate hypothesis, but it is in fact nothing of the kind. Saying that all unemployment has a voluntary element amounts to saying very little indeed. It is like claiming that all suicides are voluntary acts. It tells one virtually nothing of interest about actual suicides and their causes.

ii) Structural Unemployment

A proper understanding of unemployment demands a detailed analysis of actual employment decisions. This entails looking directly at the preferences and expectations of workers and workseekers on the one hand, and at the constraints they face in the labour market on the other. The latter might be particularly important since as Knight notes, "the most important determinant of ... (unemployment) ... may be found not by examining the logic of individual choice but by explaining why people face the choices that they do."⁽²⁾

The issue of structural unemployment becomes pertinent here. Earlier it was pointed out that in most of the literature on unemployment in South Africa, structural unemployment is identified with long-term involuntary unemployment.⁽³⁾ This derives from a hazy belief that structures eliminate choice and that as a consequence structural factors are unrelated to voluntary unemployment.

However, structures do not eliminate all choice, they merely constrain it. For example, the disposition which some firms may have, for whatever reasons, for using very labour saving techniques of production cannot by itself eliminate all the employment alternatives open to those workseekers who are excluded from this presumably high wage sector. But it might have the effect of reducing the level of wages and the overall number of jobs available in the rest of the economy. Thereby an inappropriate choice of techniques of production in one sector can constrain the alternatives available to those outside of this high wage sector. Some of these people might find the constraint so severe that they may prefer to remain unemployed rather than work at the low wages being offered in the other sectors. Such people are definitely in some sense both voluntarily and structurally unemployed. There is no intrinsic contradiction here.

The link between structures, albeit legal ones, and labour market constraints becomes even clearer in the case of homeland unemployment. As a result of influx control some people in the homelands do not have access to jobs at anything approaching urban wage levels. Their employment prospects, for instance, when confined to resettlement camps might at best consist of doing, say, relief work at R1 a day. A person who chooses to remain unemployed rather than take up employment of this type clearly does so voluntarily. But the regulations that control mobility and which drastically limit the available employment alternatives are definitely key factors in this form of unemployment.

In terms of this viewpoint the aim of a structural analysis of unemployment should be to analyse some of those features in the economy which affect the choices open to participants in the labour market.

The above illustrates why we cannot accept, on theoretical grounds alone, the claim that there is no unemployment problem in South Africa today. Most of the factors alluded to in the literature on unemployment, such as influx control, imported technology, agricultural development, colour bars, decentralization and so on, to the extent that they noticeably restrict the employment opportunities open to some section of the population, and this is an empirical matter, play a part in generating unemployment, and so deserve to be studied independently of the issues of poverty and growth.

iii) Structural vs Voluntary Unemployment

In the debate on the nature of unemployment in South Africa, the positions of both structuralists and voluntarists have usually been presented in rather stark terms.

Structuralists have argued, or at least have been accused of giving the impression, that unemployment in South Africa is by and large involuntary, and that the unemployed have no control over their employment status. Furthermore, they have contended that various elements in the economy have, over a period of time, shaped the pattern of the demand for labour in such a way that a more or less given set of jobs are available in the economy and that this set is insufficient to provide every economically active person with a job. Hofmeyr appropriately calls this the queuing model of unemployment since it suggests that a job offer would result in a queue of applicants.

There is ample casual evidence in support of the occurrence of such queuing behaviour.

Voluntarists claim that unemployment is primarily a consequence of individual choice and that, all things being the same with respect to abilities and the like, the unemployed are those who are unwilling to do the kinds of jobs done by the employed. Voluntarists also maintain that the demand for labour is not influenced at all by structural factors because labour and other markets are efficient.

If the arguments presented earlier are correct then it should be evident that neither approach to unemployment is theoretically satisfactory. Structuralists cannot ignore the presence of some choice. But voluntarists, at least in principle, cannot ignore the possibility of structural factors influencing employment opportunities.

Although the framework suggested above is able to accommodate both approaches, once some adjustments are made to each, this does not mean that the debate is thereby resolved. It is ultimately substantive empirical issues which differentiate the two positions. Structuralists can easily acknowledge the existence of some job choice but continue to argue that the queuing model is more appropriate, that labour markets are often imperfect and that structural factors are crucial determinants of the pattern of demand and employment opportunities. Voluntarists equally can tolerate the intervention of some structural variables but maintain that ceteris paribus, the employment-unemployment split essentially reflects different preferences.

B Empirical Issues

In the rest of this section we consider to what extent the results drawn from questionnaire interviews bear out each position. It should however be noted that information of this kind can never settle the issue conclusively. To do so would require a far wider ranging empirical investigation.

1) Demographic Characteristics

The demographic data presented in an earlier part of this paper showed clearly that unemployment is more widespread among young, single, childless and junior members of households.

Evidence of this kind might at first sight seem to provide strong confirmation of the choice model. Individuals with fewer responsibilities are better able to hold out for good jobs and are therefore more likely to be unemployed.

The problem with this interpretation is that the characteristics mentioned above are all strongly correlated with age. This means that if employers use age as a positive selection criteria, and evidence from the employer survey tends to support such a contention, then one should expect to find that the unemployed are more likely to be individuals with fewer responsibilities. The obvious way of eliminating this problem is to control for age in the presentation of the data. Table 12 is a summary of the distribution of household characteristics by employment status and sex for adults aged 35 and above. Table 13 presents analogous data for those below the age of 35.

Table 12 Selected Household Characteristics of Adults Aged 35 and Above

	Unemp M	Emp M	Unemp F	Emp F
Senior Member	70%	85%	79%	84%
Married	82%	88%	49%	53%
With children	73%	88%	79%	96%

Table 13 Selected Household Characteristics of Adults Aged 34 and Below

	Unemp M	Emp M	Unemp F	Emp F
Junior Member	74%	57%	71%	58%
Married	97%	69%	65%	66%
With no children	74%	42%	43%	38%

In the case of females, both younger and older, there is very little in the data that separates the employed from the unemployed. For females above 35 the only household feature that may have some impact on employment status is the presence or absence of children. Household position may play a similar role in the case of younger females. But on balance the data does not favour the choice model.

The position with regard to males is somewhat different. Within both male age groups household characteristics continue to differentiate the unemployed from the employed. Among the older males the differences are noticeable, though

not very large. By contrast among younger males the separation is unambiguous. The latter result must therefore lend some support to the choice hypothesis.

ii) Education

The discussion in section 2 relating to education indicated that employed males are slightly better educated than unemployed males. Just the opposite occurs in the case of females.

The choice model tends to predict higher educational levels among the unemployed. This conclusion rests on the view that if labour market participants operate in terms of exaggerated beliefs regarding the efficacy of education as a key to employment then individuals with higher educational levels are likely to spend more time searching for good jobs. An exaggeration in the beliefs about the role of education is important in this context because otherwise the reservation wage of the employed need not be more unrealistic than that of the unemployed and therefore the duration of search of the former need not be longer than that of the latter. The following section of the paper shows that there is in fact strong evidence in the data of the existence of such exaggerated beliefs.

The queuing model unambiguously predicts a positive correlation between education and employment. The results from the employer survey indicate that although degrees of education is not a critical variable in the screening of labour, it is at least not a disqualification.

Tables 14 and 15 give the distribution of education by sex and employment status for two different age groups.

The positive correlation between education and male employment status becomes somewhat more prominent than in Table 5. Controlling for age makes a sizeable difference to the pattern for females. Among younger females education is

Table 14 Education of adults aged 35 and Above

	Unemp M	Emp M	Unemp F	Emp F
Up to Std 2	27	24	41	44
Std 3 - Std 5	45	23	35	40
Std 6 - Std 7	9	24	11	14
Std 8 +	18	29	14	2
Total	99%	100%	101%	100%

Table 15 Education of adults aged 34 and Below

	Unemp M	Emp M	Unemp F	Emp F
Up to Std 2	3	4	9	6
Std 3 - Std 5	46	30	31	25
Std 6 - Std 7	26	32	32	19
Std 8 +	26	35	27	50
Total	101%	101%	99%	100%

strongly correlated with employment. Among older females, and this is puzzling, the correlation remains negative. On the whole the evidence therefore supports the queuing interpretation of unemployment.

111) Income

The resources available in a household are probably a key determinant of an individual's ability to hold out for a good job. In the previous section it was shown that unemployed individuals tend to belong to households with noticeably lower per capita income levels than employed individuals. The dependency rates found in table 8 provide fuller corroboration of this observation. There may therefore be a temptation to conclude that the differences in the distribution of per capita income between employed and unemployed individuals contradict the choice model.

The evidence certainly dispels the view that the unemployed are able to live off the earnings of other family members and therefore need not work. As pointed out earlier, about 20% of the unemployed are members of households with no full-time earners. Whereas 30% - 40% belong to households with relatively high dependency rates and/or low per capita income levels.

However, as Hofmeyr notes, if the only aim is to decide whether household income is a factor which enables the unemployed to be more job selective than the employed then it is incorrect to compare the total amount of household resources available to each respective group. Instead, in the case of an employed individual the household income should be adjusted to allow for the fact that the search behaviour of an employed individual, insofar as it might have been affected by household resources, would have depended primarily on the other income available in the household, that is, on total household income minus the earning of the particular employed individual. Table 16 gives the distribution of adjusted per capita income of the households of employed individuals. The distribution for the unemployed is reproduced from table 7.

Table 16 Adjusted Monthly Per Capita Income

	Unemp M	Emp M	Unemp F	Emp F
0 - 20	21	40	24	39
21 - 40	25	19	16	9
41 - 60	14	16	21	24
61 - 80	14	11	16	11
81 -100	17	4	9	5
101 +	9	10	14	12
Total	100%	100%	100%	100%

The impression given by the table is clearcut. The financial imperative to find employment definitely weighs more heavily on the average individual who is now employed. This is especially so in the case of males.

The evidence is therefore more consistent with the choice than the queuing hypothesis. An extreme version of the latter, in other words a model in which all jobs are randomly distributed among the economically active population, would predict that the distributions of adjusted per capita income across employed and unemployed individuals are identical.

These conclusions are however, subject to a major objection. They fail to allow for the possibility that employment status may have an impact on household structures. An unemployed individual has a far greater incentive than an employed individual to remain in or join a household in which there

are other sources of income. A large effect of this type could easily account for differences between the employed and unemployed found in table 16. Unfortunately we were unable to control satisfactorily for this effect.

Table 16 also conceals same differences between Grahamstown and Port Elizabeth. Table 17 and 18 contain adjusted per capita distributions for the two areas.

Table 17 Adjusted Montly Per Capita Income for Port Elizabeth

	Unemp M	Emp M	Unemp F	Emp F
0 - 20	17	33	15	15
21 - 40	14	21	5	6
41 - 60	11	17	24	34
61 - 80	17	11	17	19
81 -100	28	7	17	6
101 +	13	11	21	20
Total	100%	100%	99%	100%

Table 18 Adjusted Montly Per Capita Income for Grahamstown

	Unemp M	Emp M	Unemp F	Emp F
0 - 20	27	54	33	68
21 - 40	46	18	29	12
41 - 60	20	13	17	10
61 - 80	7	10	15	-
81 -100	-	-	-	5
101 +	-	5	6	5
Total	100%	100%	100%	100%

In the case of Port Elizabeth females there is very little to distinguish the employed from the unemployed. This implies that in the data drawn from Port Elizabeth females there is very little, if any, support for the choice model. In Grahamstown on the other hand there are very substantial differences between the employed and the unemployed females.

Unfortunately no obvious explanation for these regional variations suggests itself. Nevertheless it would seem to imply that other factors, aside from differences between the employed and unemployed with respect to job selectivity, affect the distribution of per capita incomes.

iv) Previous Experience

A surprisingly large proportion of the unemployed (72% for males and 59% for females) have previous work experience. Table 19 compares the previous occupation of the unemployed with the previous and current occupation of the employed.

Table 19 Previous and Current Occupation by Economic Status

	Previous Job		Cur. Emp M	Previous Job		Cur. Emp F
	Unemp M	Emp M		Unemp F	Emp F	
Professional	-	4	4	6	5	12
Clerical & Sales	6	15	8	10	11	10
Skilled & Semi-Skilled	13	20	34	6	3	2
Unskilled	72	49	36	18	6	4
Service	9	12	18	60	75	72
Total	100%	100%	100%	100%	100%	100%

There is very little difference between the previous occupation of unemployed females and the previous or current occupation of employed females. The former are a little underrepresented within the service occupations. But this is compensated for by the higher proportion of unemployed females who did unskilled work.

Among males the employed are clearly more skilled. About 40% of them occupy position at the semi-skilled and higher levels. Only 19% of the unemployed fit into these categories.

There is clearly nothing in these results to indicate that the unemployed are more selective in the jobs they are willing to accept. Further support for this comes from an analysis of the reasons why individuals lost their previous jobs. Table 20 displays the relevant data.

Table 20. Reasons Why Previous Job was Lost

	Unemp M	Emp M	Unemp F	Emp F
Retrenched	39	14	30	21
Resigned	30	66	31	52
Dismissed	6	7	9	-
Health/Marriage	24	13	30	26
Total	100%	100%	100%	100%

Resignation accounts for most of the reasons why the employed changed their work. By contrast retrenchments and deficient health are relatively more important among the unemployed. It is of course possible to argue, in defence of the choice hypothesis, that the immediate conclusions to be drawn from the data on previous work experience ignore differences in ability.

v) Preferences

In an attempt to get some direct information on the job preferences of interviewees, questions were asked about the kinds of jobs they are or would be willing to do. Although it is recognised that it is virtually impossible, especially by means of a questionnaire survey, to get accurate information on individual preferences, it would seem, in view of the consistency of the data we obtained in this respect, that at least in comparative terms the responses carry an element of reliability. Table 21 gives the percentage of respondents in each category who expressed a positive willingness to do the jobs indicated.

Table 21 Job Preferences

	Unemp M	Emp M	Unemp F	Emp F
Domestic Work	52%	28%	71%	56%
Construction Work	63	48	-	-
Unskilled Factory Work	87	75	88	74
Job at R20 p.w.	33	11	41	40
Job at R40 p.w.	80	45	83	74
Annual Migrant Job	50	29	22	16
Weekly Migrant Job	91	67	76	65

Unemployed individuals, without exception, show a greater willingness to enter the more unattractive kinds of occupations such as domestic, construction and unskilled factory jobs. The unemployed are also more willing to accept work at comparatively lower wages and to work away from home.

The pattern in the above preferences is clearly more favourable to the queuing hypothesis. But it is not necessarily inconsistent with the choice model because it asserts that the willingness to work can differentiate the employed from the unemployed only insofar as they have equal abilities. To resolve the issue would require a more detailed analysis of the data.

vi) Search Techniques

A discussion of the techniques and strategies of job search can indirectly assist in answering some contentious issues. If the unemployed were holding out for good jobs then one would expect them to use those avenues of job search which are more closely associated with the relatively attractive jobs. Table 22 shows the distribution of the most preferred search technique among the employed and unemployed.

Table 22 Best Search Technique

	Unemp M	Emp M	Unemp F	Emp F
Labour Bureau	8	11	7	11
Queuing	23	15	20	16
Family & Friends	56	49	53	50
Advertising	13	25	20	23
Total	100%	100%	100%	100%

There are hardly any significant differences between the two groups in terms of search technique. The distribution of preferred search technique is also consistent with the distribution of techniques by which the employed actually got their jobs.

During the interview both workers and workseekers were asked whether it was better for the unemployed to take the first available job or wait and search for a good job. As may be expected the most majority chose the former

strategy. On its own this is hardly significant. However the unemployed selected this strategy proportionately more often (86% vs 74%).

C Conclusions

It should be obvious from the above discussion, that the evidence drawn from the household survey paints an ambiguous picture.

Among males, there is, at least until further analysis shows otherwise, some indication that individual choice is a factor to be considered in any explanation of unemployment. This impression derives primarily from the data on household characteristics and income. On the other hand, the data on education, previous experience and subjective attitudes tends to show just the opposite. The implication of this seems to be that the choice hypothesis alone cannot itself explain why some are employed and others are not.

Among females choice appears to play a less significant role. The only evidence which lends tentative support to the choice hypothesis derives from the per capita income distribution found in Grahamstown. However, even this evidence should be approached with caution. All the other information, while not necessarily contradicting the choice model, seems to be more consistent with a queue type interpretation of female unemployment. The differential importance that needs to be assigned to the role of choice in male and female unemployment seems to be a significant result of this investigation. It suggests that any explanation which adequately accounts for the unemployment found among both males and females in urban areas must incorporate structural factors.

However, it must be reiterated that all the conclusions of this study are tentative. It is perfectly possible to rationalize away any discrepancies that might arise between the data and either of the models of unemployment. This is especially the case at this present, early stage in the analysis of the evidence. Moreover, however sophisticated the analysis, the typical information provided by a questionnaire survey makes such rationalizations possible.

This problem is further compounded by virtue of our view that the differences between voluntarist and structuralist explanations of unemployment, at least insofar as the individual is concerned, are merely a matter of degree. It is impossible to decide conclusively, on the basis of a study of individuals, whether choice, or, conversely, the constraints that impinge on choice should receive the greater emphasis in any interpretation of unemployment in South Africa.

IV EDUCATION AND EMPLOYMENT

However the figures are calculated, and whatever explanations are given, two phenomena in the South African labour market appear to be consistent if somewhat paradoxical. These are firstly, a shortage of labour in semi-skilled and higher categories and, secondly, a high rate of unemployment, particularly amongst Black work-seekers. The purpose of this section is to examine policy responses to these phenomena in the light of the preferences and activities of sample respondents. That is, the attitudes and practices of employers will be examined in contradistinction to the views and behaviour of our three major subsamples, the employed, unemployed, and school-goers.

While such an analysis may not point to "solutions" or "resolutions" of our two main phenomena, at the minimum a peeling away of the onion-layers may provide a degree of explanation for the apparent contradictions.

Policy Responses to Manpower Shortages and Unemployment

Although the manpower planning approach to estimating the demand for labour has come under some criticism in latter years⁽⁴⁾, the approach still has much currency in South Africa and while there may be shortages elsewhere there are no shortages of estimates. Whatever the magnitude of the estimated shortages - and these range from 1,8m semi-skilled and skilled workers by 2000 - to 5m of all occupational categories by 1990⁽⁵⁾ - official responses to the shortages in particular and unemployment in general appear to focus on a re-vamping of the educational system. As the de Lange commission puts it:

"The present system of education is to a large extent responsible for this situation. It is dominated by an academic value system ... leading to ... an output not in line with the needs of the country"⁽⁶⁾.

In this view there appear to be two types of "structural" imbalance. The first is a mismatch between education content and job requirements. The second is a mismatch between job expectations and job opportunities⁽⁷⁾. In South Africa attempts are being made to redress the first problem via a tinkering with the academic-technical mix, and the second by the introduction into Black schools of career guidance designed to re-channel aspirations⁽⁸⁾.

This analysis lies squarely within the "human capital" framework which argues in its traditional form that "schooling" raises productivity through its role in increasing the cognitive abilities of workers. Differences in cognitive abilities as measured by schooling are then rewarded by employers in the form of differential wages. Based on the assumptions of both a competitive labour market and easy access to information on which to base an "education-investment" decision, the whole policy framework then assumes that people will invest in themselves in the form of education for the sake of future potential gains in lifetime earnings. Solving the "unemployment problem" requires merely then making the adjustments to the education system referred to above.

Ignoring for the moment macro questions concerning the overall ability of the South African economy to absorb increases in the labour force. Similarly, ignoring questions about the nature of technical education to be delivered in the face of uncertainty about specific skill requirements. And, finally, ignoring doubts about the efficacy (not to mention the ethics) of schools as mediums of social control, there seems to exist a remarkable belief, on all levels, in the education system as a means of deliverance from unemployment. The following table from the survey field illustrates this. Employed people were asked why others found it hard to work, and unemployed people were asked why they found it hard to get work. Employers were asked what advice they would give to unemployed persons, and schoolgoers were asked what employers looked for when they hired people.

Table 23 Criteria in selection for employment
% replies x respondent type

	Unemployed	Employed	Employers	School-goers
More/schooling	26,9	38,4	27,9	67,9
More/training	17,5	20,6	43,9	3,7
No work	21,2	10,4	-	-
Many Job seekers	16,8	13,4	-	-
Others/D.K.	17,6	17,2	28,2	28,4
TOTAL	100,0%	100,0%	100,0%	100,0%
	n = 163	n = 220	n = 43	n = 137

Although the views of the unemployed have no doubt been tempered by bad experiences in the job market (60% had been rejected on average 5 times), education and training are perceived by 59% of all respondents as the two most important factors in getting work. Thus, there would seem to be a matching at this level between policy and beliefs, the moreso when it is noted that 79% of both employed and unemployed persons and 90% of school-goers indicated that they either wanted or want career education. In addition, the most frequently cited reason for schooling was "Preparation for work" (37%).

Given this apparent concurrence, elevated as it is almost to the level of "common knowledge", it is necessary to examine in detail the workings of the labour market to test belief against reality. Although the sample of 43 manufacturers in East London and Port Elizabeth cannot be said to be representative of all sectors, in that they account for about 39% of employment in each of these areas, their behaviour patterns provide a useful starting point until such time as the survey is completed⁽⁹⁾. Part (a) deals with the "mismatch" between education and job requirements, while part (b) considers the expectations and opportunities mismatch.

A. Job Selection, Education and Training Requirements

Several major threads are relevant in the analysis of labour market practices. These are actual recruitment practices contrasted with educational and training requirements which in turn can be linked to the skills specifically embodied in occupational categories.

1) Recruitment Practices

Employers initially were asked to indicate their major methods of recruiting labour according to occupational category. The table below indicates the frequency by percentage of recruitment method.

Table 24 **Recruitment method by Occupational Level**

	% Unskilled	% Semi-skilled	% Skilled
Labour Bureau	4,0	5,2	1,6
Family/Friends	34,0	30,9	9,6
Queuing	26,0	18,5	8,0
Word-of-mouth	32,0	32,0	8,0
Advertisements	-	9,2	54,8
Agencies	4,0	4,1	17,7
Totals	100,0	99,9	99,7

As can be seen, for the unskilled and semi-skilled categories of labour, so-called "informal" channels of information are used as primary methods of obtaining candidates for positions. Thus, family and friends, queuing, and word-of-mouth are used on 92% of occasions in unskilled recruitment and 81,4% in semi-skilled recruitment. By contrast, formal recruitment on the open market is predominant in skilled category recruitment, advertisements and private agencies being used on 72,5% of occasions. As McCartan points out, this "differential use of recruitment methods ... is largely explained by the relative shortage of skilled labour in the regional economy."⁽¹⁰⁾

If this data is coupled to the fact that the greater percentage of vacancies are filled internally, then there is part-way evidence for the operation of segmented labour markets⁽¹¹⁾. The importance of this is that informal, and internal recruiting must deny access to the labour market of a substantial proportion of work-seekers. This "insider-outsider" problem is further compounded by the operation of The Blacks (Urban Areas) Consolidation Act of 1945⁽¹²⁾.

For employers there are substantial benefits from the use of such methods. Firstly, the costs of both locating and screening labour are lowered; secondly, they act as motivational tools for workers and; thirdly, their use "partially transfers the responsibility for discipline and control from line management to the workers themselves, thereby co-opting them into the managerial processes."⁽¹³⁾

The effect of this partial closure is exacerbated when an examination is made of the effects of factors which operate at the point of selection. The first of these is the effect of the education levels of the applicants, and the second are the major criteria by which people are selected. The first table below indicates the lowest levels of education accepted by employers, while table 26 following shows the selection criteria actually utilized.

Table 25 **Education levels required by Employers (frequency%)**

	% Unskilled	% Semi-skilled	% Skilled	% Clerical
Education not important	39,6	16,3	2,4	5,0
Std 4 - 6	48,9	48,9	19,6	12,5
Std 7 - 8	4,7	27,9	40,5	47,5
Std 9 - Matric	-	-	11,9	32,5
NTC	-	-	26,2	-
Literacy	4,7	7,0	-	2,5
Other	2,1	-	-	-
Totals	100,0	100,1	100,6	100,0

This table illustrates that for the unskilled and semi-skilled levels educational requirements are very low. If it is compared with table 5 above which shows that there are marginal educational differences between the employed and unemployed⁽¹⁴⁾, then it would seem that on these occupational levels at least, education has little effect on employment chances. In that the bulk of Black employment is on these levels (81,71% according to Simkins C and Hindson D ⁽¹⁵⁾), clearly there are severe implications for those people having "outsider" status in terms of actually getting to the point of interview, because increasing one's education level seems to make no difference to the chance of being hired.

This situation is confirmed by table 26 below. Employers were asked on a yes, no, not important basis what selection criteria they would use when faced with a choice between two or more candidates. The Yes responses (%) for the relevant criteria are shown in the table.

Table 26 Selection criteria by skill level (% positive use)

	Unskilled	Semi-skilled	Skilled
Highest level of Schooling	25,6	44,2	67,4
Technical vs Academic School	58,6	73,3	83,3
Certificate vs None	28,0	74,1	81,5
Training vs No Training	48,8	76,7	86,0
Experience vs None	67,4	79,1	90,7
Observable Dexterity/Fitness	83,7	86,0	48,0
Employment Card/Record	76,7	88,4	90,7
Male vs Female	72,1	72,1	69,8
Middle aged vs Youth	62,5	58,5	58,5

The profile of the person most likely to be employed now begins to emerge. If the person is male; middle-aged; has worked before and has proof of this; and, has technical training and proof of that; he is more likely to be selected. This is provided of course he has access to the informal recruitment network in the first instance.

So, the factors of sex, age, experience and type of education must be added to the previously mentioned segmenting factors of access to information and the over-riding legal factor of Section 10(1)(a) and (b) rights. Clearly, those without these characteristics run the danger of being marginalised further.

Moving beyond the point of selection to the details of educational and training requirements, and to the skill-specific nature of occupational categories, it will be shown that firstly the case for closure is strengthened and secondly, and concomitantly, that the argument for a mismatch between education and job content is simultaneously weakened.

11) Skill Requirements and Job Specificity

In terms of the matching of education and job content, employers were quite clear on both the form and the content of education required. Firstly, they were asked what form of education was most important to their requirements. Table 27 below shows quite clearly the dominance of on-the-job training.

Table 27 Educational Formats preferred by employers

	% Unskilled	Semi-skilled	Skilled
Schooling	2,3	4,7	7,0
On-the-job	94,7	90,6	62,8
Internal (Formal)	3,0	4,7	11,6
External (Formal)	-	-	18,6

This preference can be tied to the skill-specific nature of jobs. The second, related question then concerns the degree to which skills are transferable both within skill category and between firms. Table 28 below illustrates the degrees of transferability of skills⁽¹⁶⁾.

Table 28 Transferability of Skills by Occupational Category (%)

	Unskilled	Semi-skilled	Skilled
<u>a) Within Skill Category</u>			
Transferable	70	59	61
Not very Transferable	30	41	39
<u>b) To other Firms</u>			
Transferable	51	46	62
Not very Transferable	49	54	38

As McCartan notes, the "effect of this skill-specificity is to impose limits on the mobility of some production workers."⁽¹⁷⁾ It also, perhaps more importantly, reduces the ability of outsiders to gain employment on the basis of their qualifications. This effect, which increases segmentation, is strengthened when one considers in detail the skills that employers say they want from the formal education system. In our sample, 42,1% wanted literacy, 34,0% wanted practical skills and knowledge and, 4,7% wanted an "ability to think". In terms of what the schooling system should be able to deliver, these are fairly basic skills. Given, further, that 62% of employers say they try to match school qualifications to job requirements, these combined factors provide a clear picture of the low level of skills and education required to perform the majority of occupations. Indeed, 78,5% of the employed, and 95,1% of the unemployed said they had received no post-school training whatsoever. While these very high figures may be in part due to the possibility that

on-the-job training and/or training without certification are not regarded by respondents as training, this is a somewhat severe indictment of employers who complain about skill, shortages. It should be further noted that the available technical college Iqhayiya, in Port Elizabeth is "hopelessly under-utilised."⁽¹⁸⁾

It is now possible to summarize the evidence concerning the alleged mismatch between education and job content.

iii) Summary and Analysis

The position concerning educational requirements and job content can be summarized under several related headings. These are, the nature of educational requirements; the skill-specificity of occupational categories and the training provisions adhering thereto; and the over-all effect of segmentation.

As the above sections indicate, the educational requirements of employers, in the manufacturing sector at least, appear to be fairly low, Std 8 or less being sufficient qualification in 78% of appointments over the skill range unskilled to clerical. The specific cognitive skills required are similarly low, and overall on-the-job training is considered the most important form of "education".

In terms of selection for employment, employers are more concerned with previous work experience, and reliability (as indicated in employment cards) than with educational levels. Where certification is used, given the reliance on on-the-job training, it seems that education as screening is valued more than education as human capital. Furthermore, in contrast to the "taken for granted" measures of education and training as predictors of life chances, access to "insider" information and contacts appears to be a more reliable measure in our sample. Thus, the 90% of Black pupils who will leave school at a level of Std 8 or less⁽¹⁹⁾ and who will be destined to compete for the unskilled, semi-skilled and skilled jobs which constitute 86,7% of jobs held by Blacks, face in the absence of contacts a very difficult period of job-search.

If to the above situation where educational levels count little is added to the problem of increasing job fragmentation⁽²⁰⁾, concomitant skill specificity and a consequent low level of training required to carry out the majority of jobs, then the case for educational failings as a cause of unemployment appears even thinner, and the remedies more difficult.

Finally, the general effects of segmentation on education and employment should be considered. If, as suggested there are market imperfections which prevent information on job availability reaching all candidates, and if age, sex and experience further nullify the importance of educational level or type as a selection criterion, then there is a segmentation which reduces prima facie the chances of many of gaining employment. If in addition, within organizations there are barriers to mobility because skills are firm and level-specific and because promotion is linked as much to attitude as to ability⁽²¹⁾, then education as one of the few avenues of mobility available to Blacks is severely proscribed.

The reasons why de-skilling and segmentation occur are a matter for debate outside the scope of this paper. It is sufficient here to note that explanations range from the emergence of fragmentation as a consequence of a lack of skilled labour⁽²²⁾, to fragmentation as a necessary consequence of the emergence of monopoly capital⁽²³⁾. What is important here is to consider the effects of such a situation.

It should however firstly be noted that segmentation per se ought not to reduce the efficacy of education as a means of gaining access to the labour market. Although the human capital value of education is negated in such circumstances, provided that employers use education as a screening device, the gaining of higher education should increase one's chances of gaining access. This assumes of course that the "investment" component of education (in human capital terms) is re-interpreted as an "information" component by employers and potential employees alike. The underlying assumption in both interpretations is however that in some way education and on-the-job training are either substitutes or complements. On the other hand, if the fragmented nature of jobs reduces their skill component to the point where both education and training are less important than other criteria in selection, training and performance on-the-job (and possibly deleterious⁽²⁴⁾), then both the diagnosis of a faulty education mix being responsible for unemployment and the consequent prescription of more technical rather than academic education will

be rendered both incorrect and ineffectual. Furthermore, if, as Thurow suggests, the decision of employers to hire and train is based upon both their expectations and as rewards to employees, then downturns in economic growth will exacerbate inequalities. (25)

It may be of course that human capital assumptions only begin to operate beyond certain education levels. However, this does not appear to be the case in our sample as those people with Std 10 or above represented 12,9% of the unemployed (vs 11,1% of the employed) (This compares with the CPS figures of 10,9% of unemployed and 13,0% of the employed)(26). In addition, many employers said they would not hire someone with a matric for semi-skilled or lower jobs. Overall, then, although the evidence requires further testing, it would appear that Correspondence theory has greater explanatory power for the relationship between education and employment in our sample. That is, it would appear that factors in the non-cognitive domain are more likely to be rewarded than cognitive skills. (26) If this is so then unless provision for the entry of Blacks to levels of occupation higher than "skilled" is increased, the phenomenon of "educated unemployed" will emerge to a greater degree as the schools begin to turn out larger numbers of matriculants.

The position is now clear. For those who are unemployed, the chances of getting work are not significantly improved by the acquisition of education. Technical schooling without links to certificates recognised by employers similarly will not aid work-seekers. The consequences of segmentation and de-skilling seem in our survey to nullify the effects of education in the work-education nexus such that the majority of school-leavers will face a period of job-search that is likely to be both arduous and, without a lucky break, unrewarding. An alteration of the academic-technical mix is unlikely to alter this situation given the workings of the labour market. In the light of this, it almost fatuous to suggest that unrealistic expectations (as generated by "academic" schooling) are a further contributory cause of unemployment. The next section will briefly deal with this "mismatch" of job expectations and job opportunities.

B. Job Expectations and Job Opportunities

As has been demonstrated in section III above, the evidence seems to suggest that in respect of both unemployed and employed people exaggerated

expectations do not play a major part in the gaining or otherwise of employment. Indeed, as tables 14, 15 and 19 to 21 show, if education levels are compared with job preferences, there is a high degree of realism, especially if education is taken as a proxy for ability. Although this data requires further disaggregation it is fair to say that expectations are by no means "exaggerated" in these cases.

At first sight, though, the data on school-goers show a very high degree of exaggeration. Some 89% (n= 137) indicated a preference for non-manual jobs. Table 29 below compares the manual/non-manual division of labour for the employed sample, the national division, and school-goers preferences.

Table 29 School-goers Preferences and the Manual/Non-manual Division of Labour (%)

	National 1977 ⁽¹⁾	1987 ⁽²⁾	Employed	School-goers
Non-Manual	13,32	23,4	16,3	89,0
Manual	86,68	76,6	83,7	6,8
Don't know	-	-	-	4,2

Sources: (1) Sinkins C E W and Hindson D C. The Division of labour in South Africa, 1969-1977. Social Dynamics, Vol 5(2) p 10, 1979
 (2) Survey of Race Relations 1981, 1982 SAIRR, p 124.

It is possible from this data to calculate a crude "accommodation rate"⁽²⁸⁾ Two rates have been calculated based on expected employment opportunities for Blacks in 1987⁽²⁹⁾. These are for the age-groups 10-24, and 15-24⁽³⁰⁾. The first is perhaps a more realistic estimate in that the age-group encompasses those who will be on the job market by 1987, while the second focuses on those who are probably already entering the market.

Table 30 Accommodation rates for non-manual jobs

<u>N of people</u>	<u>% Wanting</u>	<u>N wanting</u>	<u>Jobs</u>	<u>Accom</u>
	<u>Non-Manual Jobs</u>	<u>N-m Jobs</u>	<u>Available</u>	<u>Rate (%)</u>
a) 10 - 24	89,0%	4871575	924966	19%
b) 15 - 24	89,0%	3175734	924966	29%

If, as seems, there is at most a one in three chance of any schoolgoer gaining non-manual employment, then a high degree of unrealism is operating. However, a comparison of the occupations expected in non-manual categories with current grades shows that the only exaggerations of expectation lie in the ability to reach the desired levels (some 43,6% have repeated grades) and perhaps the focus on university level.

Table 31 Current Grade or School-goers compared to expected grades (n = 137)

	Current Grade %	Expected Grade %
Std 3 - 5	18,5	-
Std 6 - 8	60,7	-
Std 10	18,5	18,2
Teachers College	-	11,7
Nursing College	-	29,9
University	2,2	36,5
Technical College	-	2,2
Other	-	1,5

What are realities of these expectations? There are shortages of teachers (an additional 132 200 will be needed by 1990⁽³¹⁾) and of nurses (17% of posts for Blacks are vacant⁽³²⁾), so that academic education is in these cases pre-eminently a vocational education. Is it non-vocational to go to university? The evidence is quite against that, irrespective of the courses read for. In terms of job security and income levels it makes good sense to aim for occupations which offer these. Finally, if one assumes that career choice is partially determined by reference group attributes then, given the small numbers of Black artisans, technicians, and engineers, it would be unusual for Black children to aspire to these positions.

None of the above would suggest an exaggeration of expectation the moreso when the costs of failure to reach expected levels exceed the benefits of success. Given the low number of Blacks sent to technical colleges or the numbers indentured, the exaggeration would seem to lie on the side of employers. Furthermore, if the numbers in "vocational" training are low because the candidates lack ability then it is the pathetic level of schooling which is to

blame and not the candidates themselves. It is statistically impossible that such huge numbers as is claimed are congenitally unsuited to vocational training.

It is spurious further to believe that career education will solve this alleged crisis of expectation. As long as income disparities and security of tenure favour white-collar jobs, and as long as skilled and technical occupations are dominated by Whites it is unrealistic to believe that Black aspirations will be down-graded to an acceptance of comparatively insecure and low-paid work. In any event, the history of education demonstrates the failure of changes enacted unilaterally within the education system.⁽³³⁾ In short, if there is a mismatch, it lies not in the heads of Black school-goers.

C. Conclusions

The starting point of this section was the mismatching that it was claimed operates between education content and job requirements on the one hand, and job expectations and opportunities on the other. The evidence gathered thus far in the survey disputes both these claims, and performance casts doubt on the policy measures prescribed to "resolve" the mismatching.

In the first case, that of the mismatch between education and job requirements, it was shown that a combination of factors operate to nullify the efficacy of education in gaining employment. For the majority of Blacks destined to work at a semi-skilled and unskilled level factors such as age, sex, previous experience and most importantly access to contacts who are already employed are better predictors of success than education. The reasons for this are numerous and inter-twined. Segmentation, the operation of internal labour-markets, de-skilling of jobs, the recession and the need to control the labour force all inter-act to down-grade education as a "giver of life-chances". The actual content of education in these circumstances appears almost irrelevant.

Similarly, it was shown that although on the surface the expectations of school-goers in respect of job opportunities appears unrealistic, given the structure of the racial division of labour in South Africa, attempts to break the "Standard 8 barrier" offer the only realistic chance of gaining employment on criteria other than happenstance. For the approximately 10% of students

who go beyond Standard 8 employment in white-collar jobs is the only realistic alternative facing them. For those who fail the prospects are bleak. Having high expectations may be wishful thinking but cannot be considered unrealistic given the over-all structure of the labour market.

All of this must cast severe doubts on the appropriateness of the human capital paradigm in the South African context. Analysis and policy located therein is as a consequence similarly of dubious value. Clearly, as indicated in this paper, alternate explanations and solutions must be sought. However, despite the evidence, it is a measure of the power of belief and/or propaganda, and of the crisis of expectation to come that when asked how they saw the future only 11% of school-goers foresaw problems. It is a measure also of the ironic tragedy that is South Africa.

Footnotes

1. Gerson, J., "The Question of Structural Unemployment in South Africa", The South African Journal of Economics, Vol 49, No 1, 1981, page 13.
2. Knight, J.B., "The Nature of Unemployment in South Africa", The South African Journal of Economics, Vol 50, No 1, 1981, page 11.
3. See, Bronberger, N., "Unemployment in South Africa: A Survey of Research", Social Dynamics, Vol 4, No 1, 1978, and Hofmeyr, J.F., "Aspects of the Labour Market Participation Behaviour of Adult Black Males in a Black Peri-Urban Area", Unpublished Paper, 1983.
4. Criticism on the manpower planning approach varies around the problem that forecasts are usually "supply-determined", assume a "rigid relationship between education (let alone occupation) and the economy", frequently "abstract from considering the costs of producing the extra amount of skills", and are "typically wrong" - Psacharopoulos G (1978) "Educational Planning : Past and Present." Prospects, Vol 8, 2, pp 135 - 142. See also Bowen W.G. (1963) "Assessing the economic contribution of education" (in Cosin B.R. (ed) (1977) Education : structure and society. (Harmondsworth, Penguin) and Chisolm L. (1982) "Training for Capital.: De Lange Reports (1)." Perspectives in Education. Special Issue. The H.S.R.C. Education Report, May 1982.
5. See Survey of Race Relations in South Africa 1980, 1981, Johannesburg, SAIRR, pp 93 - 99.
6. HSRC Investigation into Education Report 12T. Technical and vocational education, Pretoria, HSRC p 62. See also Edgeley R, "Education for Industry," Educational Research, Vol 20, No 1, 1977, pp 26 - 27, for similar sentiments expressed in the U.K., and Pincus F.L., The False Promises of Community Colleges : Class Conflict and Vocational Education, Harvard Educational Review, Vol 50, No 3, 1980, pp 332 - 361, for views in the U.S.A.
7. cf Emmerij L. "Some reflections on the link between education and employment," Higher Education, Vol 1, 1972, pp 483 - 484.

8. Dovey K, and Mason M., "Guidance for submission : Social control and guidance in schools for Black pupils in South Africa," British Journal of Guidance and Counselling, Vol 12, No 1, 1984, pp 15 - 24.
9. An initial analysis of this survey data has been completed by McCartan P.J. in the paper "Recruitment and Wage Determination Procedures of Manufacturing Firms in the Eastern Cape : Implications for Unemployment", presented at this conference.
10. McCartan P.J., op.cit, p 6.
11. For a full exposition of the segmented labour market case as applied to this survey see McCartan op.cit.
12. See Simkins C. "The Demographic Demand for Labour and Institutional Context of African Unemployment in South Africa : 1960 - 1980." SALDRU Working Paper, No 39, 1981, pp 23 - 26.
13. McCartan P.J., op.cit, p 8.
14. cf Hofmeyr J.F., op.cit, p 12.
15. Simkins C.E.W. and Hindson D.C., "The Division of Labour in South Africa, 1969 - 1977;" Social Dynamics, Vol 5, No 2, 1979, p 10.
16. Adopted from McCartan P.J., op.cit, p 10, tables 4 and 5.
17. ibid.
18. E P Herald, 26/1/1984, p 15.
19. Verwey C.T. et al, Education and Manpower Production (Blacks) No 3, 1982, RIEP, University of the Orange Free State, Bloemfontein, 1983 pp 16 - 17.
20. HSRC, op.cit., p 9 - 10.
21. McCartan, op.cit., p 8.
22. HSRC, op.cit., p 9.

23. See especially Braverman H, Labour and monopoly capital : The degradation of work in the twentieth century, NY, Monthly Review Press, 1974.
24. cf Berg I.E., Education and Jobs : The Great Training Robbery, NY, Prayer, 1970.
25. Thurow L.C., "The Failure of Education as an Economic Strategy." American Economic Review, Papers and Proceedings, Vol 72, 2, pp 73 - 75.
26. Current Population Survey, May 1980.
27. For a survey of the debate see Gilmour J.D., "Education and the Work-Place : A Nebulous Nexus," South African Seminar No 2, 1983, ISER, Rhodes University.
28. See Little A. "The Logic of Students' Employment Expectations." IDS Bulletin, Vol 11, No 2, 1980, pp 20 - 27.
29. MFC data in Survey of Race Relations in South Africa 1981, 1982, Johannesburg, SAIRR, p 124.
30. Benso, unpublished data on the 1980 census.
31. "Black Education 1980 - 2000," Unit for Futures Research Bulletin 3.4.1, April 1981. Univeristy of Stellenbosch.
32. Survey of Race Relations in South Africa 1982, 1983, Johannesburg, SAIRR, p 544.
33. See Bock J.C., "Education and Development : A conflict of Meaning" in Aitbach P.G. et al (eds) : Comparative Education, New York, Macmillan, 1982.