



POLICY BRIEF

History and the economy matters for artisanal skills planning

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Executive summary

The re-establishment of a good artisan training system was identified as a key research focus area and urgent priority, given that “the apprenticeship system has been allowed to deteriorate since the mid-1980s, resulting in a shortage of mid-level skills in the engineering and construction fields” (DHET, 2013). However, over the last three decades, there have been extensive changes to the nature of work, meaning that any planning activities and interventions aimed at improving the production and retention of artisanal skills have to be sensitive to such change. In addition, our country has a complex history of technical, vocational education and training (TVET), characterised by gender, race and language inequalities. Clearly, a better understanding of the contextual issues that impact on the extent, nature and location of demand and supply of artisanal skills can positively impact on planning and intervention. Critical questions to direct such an endeavour would thus be: how have historical patterns shaped the nature of artisanal training and employment today? How can planning for artisanal skills respond to the changing nature of work and the division of labour in the workplace? How can planning be responsive to innovation and change?

Towards better understanding such a complex and multi-layered context and the questions emerging from it, three projects investigated: the underpinning economic and political history (Mbatha et al 2015), changes to the nature of artisanal work and its organisation (Wildschut et al 2015), changing intermediate knowledge bases and the resulting implications for future artisanal work and preparation (Gamble et al, 2015).

This policy brief will focus on the first aspect (the underpinning economic and political history), considering particularly two findings with implications for policy:

Research finding 1: A largely negative historical discourse on technical, vocational education and training.

- *Policy recommendation: Efforts towards a future artisan system must acknowledge and take into consideration the complexity and power of historical processes and associated discourses underlying systems of vocational education and training in the country over time.*

Research finding 2: A shifting macro-economic structure (sectoral, sub-sectoral, skills and occupational demand shifts)

- *Policy recommendation: Current policies for artisan development need to take into account the changing structure of the economy. No policy aimed at training artisans should be formulated and implemented without a consideration of which sectors are growing and which could be encouraged to grow in a globally competitive environment, to generate formal, informal and self-employment opportunities for future artisans.*

Introduction

In the post-apartheid era, expanded skills development has been recognised as a key element in government's efforts towards addressing social and economic transformation, as well as securing South Africa's continued industrial and human development. Since 2009, the Department of Higher Education and Training (DHET) has prioritised the development of a credible institutional mechanism for skills planning, to inform the kinds of policy intervention and incentives needed to promote skills development.

Artisan training has come under the spotlight in this context, to address a major gap in the labour market at the intermediate skills level. Over the past two decades, debate has centred around the validity of the system and how it can be reformed in a democratic, inclusive South Africa, amidst widespread claims of artisanal skills shortages acting as a binding constraint on economic growth. A great deal of effort has gone into attempts to estimate the demand for artisanal skills and to assess the capacity of the supply side institutions to meet this demand.

Such labour market information is necessary but not sufficient to inform successful planning and interventions. Simple, static and mechanistic demand-supply calculations do not reflect the complex set of economic, political and social dynamics shaping artisanal skills development. In this policy brief we aim to address this gap. We focus on an evaluation of the twentieth century history of artisanal training in South Africa, against a backdrop of the production environment in which the training was provided, the broad economic and political events and policies. The discussion is divided mainly into pre-democratic and democratic eras demarcated by the year 1994, which was when the country underwent the political transition from a racially exclusive system into a democratic one. This exploration illustrated how the training system reacted and reinforced the challenges of technical and vocational skills production in both eras. The research essentially concludes by arguing that dealing with artisan skills production and associated challenges for employment creation requires an institutional understanding of artisan history and the prevailing economic parameters that provide both constraints and opportunities for policy-making.

The study findings: A negative discourse around the vocational education and training system

Artisanal development in the pre-democratic era was shaped by aspects of the colonial period, through the mineral revolution at the turn of the nineteenth century, the period of industrialisation after World War II and the formalisation of apartheid, and finally, during the period of reform initiated in the 1980s.

Tracing the origins of artisanal training back to the arrival of European settlers in the 1600s the review highlights its colonial roots, as well as linkage to the system of slavery. Two historical facts emerge as important. First, that after 1652, Dutch traders and early settlers imported slaves to provide the artisanal labour required to grow farms and towns. Second, in 1775, the concept of apprenticeship was first introduced as an integral part of the system of slavery, allowing slave owners to 'apprentice' the children of male slaves and free Khoisan or Hottentot women, until adulthood.

Wedekind (2013, 39) also contends that in the early 1800s, with the abolition of slavery, a system of indenture was instituted, which allowed slaves to be indentured as apprentices to their owners for a fixed period. With a shortage of labour, this system came to involve the coercion of African children into a form of apprenticeship under the guidance and care of an older *inboeksling*. These early characteristics shed light on the extent to which inequality and racial discourses are embedded in artisanal skilling, with a distinctive feature being that "...right from its earliest incarnation, apprenticeship in South Africa was a coercive and exploitative relationship, rather than a benign relationship between a master craftsman and a novice" (Wedekind 2013, 40).

Other early forms of apprenticeship are evident in the period from the early 1800s through to the 1900s, with the mineral revolution and the First World War being key points with implications for the relationship between the labour market and skills, but particularly also the nature of artisanal skills. There are also sector specific developments during this period which impacted on the understanding of TVET in the SA context. Historical documents illustrate how sectors like mining and manufacturing, bolstered by a large base of cheap black labour, grew out of attempts to meet the needs of investors, white labour, government agencies and various international players. While agriculture played a big role, the mining sector formed the foundation for most of the growth of TVET, demanding particular skills that were sourced through migration and local training.

Economically, there were pressures pointing towards the inefficiency of a racialised labour market, but the legislative framework continued to be driven by political objectives seeking to disempower Blacks in the work place and protect white workers. An effect of the looming Second World War was a loss of skilled labour from mining and other sectors to military service. A related development was the introduction of the National Technical Education (NATED) system in 1935, in conjunction with the creation of technical colleges organised under the Central Organisation of Technical Training (COTT) to cope with the growing demand for skilled labour (NTB/HSRC 1985).

The 1950s proved to be a decade in which the social, political and economic exclusion of black people by the apartheid government became even more deeply entrenched through a series of legislated segregationist efforts. With the National Party's ascent to power in 1948, many racially exclusive policies were passed into law, starting with the *Group Areas Act 41 of 1950* and the *Bantu Building Workers Act 27 of 1951*. These Acts formally ensured the exclusion of black labour from technical training along spatial lines. To further legitimise the status quo in education and the workplace, Acts such as the *Bantu Education Act 47 of 1953*, the *Job Reservation Act* and the *Colour Bar Act of 1954* maintained white hegemony and black subservience

by giving preference to white workers and prohibiting certification for acquired skills for any non-white person.

Over the next period, the intense interplay between different labour market sectors and their related skills demands on political responses and pressures are again illustrated. The establishment of the harbours and railway systems required appropriate technical skills. The rapid industrialisation process and the agricultural and the manufacturing sectors expanded their shares of the economy. These shifts led to increasing mechanisation, and in turn, a rise in the demand for skilled artisanal labour and the intensification of the adoption of a migrant labour system for Africans.

The 1970s saw the beginning of de facto desegregation in the workplace, facilitated to a large extent through the recommendations of the *Riekert* (1977) and *Wiehahn* (1979) Commissions. Nevertheless, whites continued to form the vast majority of apprentices and the dominance of Blacks in lower status trades was clearly apparent (see Table 1). While the majority of white apprentices were in the Metal and Engineering sector, the largest proportions of other race groups were found in the Building sector: 55% of Coloured, 35% of African and 45% of Asian apprentices. In this way the nature of artisanal training, status and certification became racially determined.

Table 1: Percentage distribution of apprentices by occupational sector by race group, 1969–1979

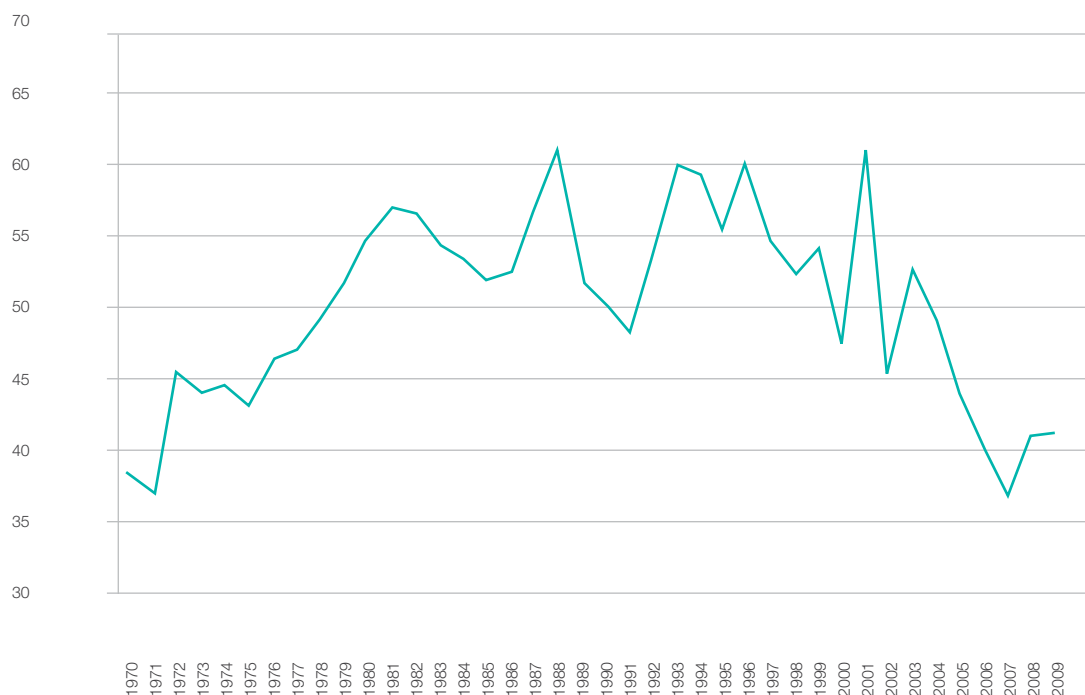
Occupational sector	Coloured (%)	African (%)	Asian (%)	White (%)
Building	55	35	45	9
Metal & engineering	11	7	13	40
Furniture	11			
Motor	9	28	10	20
Electrical		14	17	18
Other	14	16	15	13
Total	100	100	100	100
Average per annum	6 700	560	1 380	37 600

Source: Lundell & Kimmie (2002)

The late 1900s was characterised by economic and socio-political developments that intertwined, culminating in a significant reform of the artisanal skilling system, the *Manpower Training Act of 1981*. This opened up opportunities for blacks to receive skills training and enter into apprenticeships, although still within a separatist and racialised socio-political structure. Nevertheless, change was slow¹ and the total number of artisans also began declining in 1991. Thus, although the provisions of the *Manpower Training Act* started to counter the exclusion of black trainees from the apprenticeship system and artisanal employment, the negative effects of the economic decline in the 1980s and privatisation of the training system impacted significantly on the capacity for technical skills supply. Figure 1 illustrates that even though the trade test pass rates recovered somewhat after 1992, from 2000 they have been on a general downward trend, indicative of the crippling conditions faced by the whole TVET system.

The analysis on artisanal development before 1994 illustrates key historical features of the creation and evolution of the apprenticeship system and the artisanal labour market and gives insight into the origins of the contemporary negative discourse around TVET. These features relate to its exploitative history and links to slavery, its use as social engineering tool, its association with a limited set of trades and technical occupations and the low status in comparison to professional qualifications or occupations (Wedekind

¹ Although there was growth in the number of black artisans trained in the sector, especially starting from 1981, in absolute and relative terms this was not significant.



Source: Janse van Rensburg et al. (2012)

Figure 1: Historical pass rates of artisans at INDLELA testing centre (1970 – 2009)

2013). The review illustrates how artisanal skilling became closely associated with racial restrictions and conflict, but also the strong political efforts and impetus towards radical labour market and training system change. Analysis of the economy after 1994 also highlights important considerations for future intervention and policy-making on artisan development.

Study findings: A shifting macro-economic structure

Technical training in the democratic era (after 1994) is characterised by a policy focus on equality and social redress, seeing the introduction of new legislation, programmes and institutions in the artisanal education and training sector, as well as in the labour market. There is evidence of a strong concern with the effectiveness of the instruments and institutions established and used for reform of the artisan system, to create a more effective basis for skills planning. The impact of the new policies thus far and in the main, appears to be renewed growth in the numbers of artisans in training. However, the data used to estimate artisan skills supply and demand suggests that while legislation has changed the racial landscape and made such programmes more accessible to Blacks, the numbers of those enrolled in these and similar programmes are still not totally in line with proportions in the population.

An evaluation of the economy between 1991 and 2007, points to a shifting macro-economic structure in various ways. There is evidence of decline in many of the primary and secondary sectors accompanied by the intensification of tertiary sector employment. More recent data highlights a further characteristic of this sectoral shift to be a strong bias towards high skills (Bhorat et al, 2008).

Table 2: Percentage growth in formal employment for varied skills levels, 1995–2005

Sector	Skilled (%)	Semi-skilled (%)	Low skilled (%)	Total (%)
Agriculture, forestry, hunting, fishing	370.1	66.0	-49.4	-25.1
Mining and quarrying	-14.4	-1.3	-21.7	-30.7
Manufacturing	62.1	17.1	13.5	19.3
Utilities (electricity, gas, water)	47.5	11.5	24.6	19.9
Construction	115.0	100.1	160.0	110.5
Internal trade (wholesale, retail)	5.8	53.9	217.8	81.8
Transport, storage, communication	7.3	34.4	85.2	30.0
Financial intermediaries, insurance, real estate, business services	152.1	94.4	267.3	124.0
Community, social & personal services	13.7	-12.5	21.2	2.
Total	43.1	33.5	26.4	28.7

Source: Statistics South Africa, in Borhat & Ooshuizen (2008)

Furthermore, looking at Labour Force Survey (LFS) data between 2005 and 2011 we can see both a decline in formal employment and a shift towards informal employment growth, especially in primary and secondary sectors (Table 3). While some economists have proposed that formal employment losses in artisan employment might not necessarily be negative, as they could indicate a move to informal markets, this does not seem to be the case. The same data disaggregated for major occupational groups shows that during this period Crafts and Related Trades (CRT) workers experienced the greatest formal (-3.5%) and informal (-4.8%) employment losses.

Table 3: Formal and informal employment contribution trends by sector, 2005–2011

Sector	2005		2007		2009		2011		% change	
	Form	Infor	Form	Infor	Form	Infor	Form	Infor	Form	Infor
Mining	5.4	0.4	5.4	0.1	3.5	0.2	3.3	0.3	-2.1	-0.1
Manufacturing	18.4	10.6	17.8	12	17.6	10	17.2	10.1	-1.2	-0.5
Electricity	1.6	0.2	1.1	0.4	1	0.1	1	0	-0.6	-0.2
Construction	6.6	14.2	7.5	14.5	8.9	13.4	8	13.4	1.4	-0.8
Trade	21.8	45.4	23.5	44.8	21.3	46.9	21	47.1	-0.8	1.7
Transport	5.8	6.4	5.2	6.4	5.8	9.5	5.8	8.8	0	2.4
Finance	13.7	3.5	15	2.3	16.8	6.5	16.3	5.8	2.6	2.3
Services	26.4	8.9	24.3	11.9	25	13.4	27.3	14.5	0.9	5.6

Source: Stats SA (2005 – 2011)

The overarching message is that the formal South African economy has grown in the last two decades. While there are different interpretations of the underlying nuances of this growth (jobless growth and/or a growing informal economy), some characteristics are clear. The macro-economic structure has shifted, meaning that the employment prospects in relation to artisan training have shifted. What would this mean for artisan development?

Policy implications: Considerations for national artisan development and skills planning

This research project provided a history of the evolution of the artisanal training system in South Africa, in the context of the production environment in which training was provided, shaped by economic and political

changes and the related shift in labour market and training policies. The review illustrated how in the pre-democratic period development of the artisan training system was characterised by racial, gendered, geographic and sectoral exclusion. These manifest as ongoing challenges for the current regime of training policies in a democratic system, the primary aim of which is to improve labour market access and opportunities, while at the same time growing the economy.

Through an exploration of available macro-economic, employment and skilling data the research analysed the extent to which the artisanal system responded to shifting skills requirements, as well as the extent to which historical race- and gender-based exclusion is being addressed in artisanal skilling and employment. Generally, the story indicates that some inroads are being made in improving artisan skills development, especially over the last ten years and through the introduction of learnership programmes (Mbatha, 2013). A number of implications for skills planning and artisanal development emerge from the analysis.

4.1 Policy implications deriving from the negative discourse on technical, vocational education and training

The outline of major historical developments in relation to TVET provides some understanding of why our artisanal skilling and labour market systems are reflecting specific racial, sectoral, occupational and skills level characteristics. While causalities and the chronology of key events will surely be contested in any historical account, this discussion highlights the fact that the history of artisanal development in the country is deeply embedded in the needs of the labour market, political imperatives and societal pressures of particular points in time. Furthermore, it is clear that the interplay between various parts of these systems at different points in the historical trajectory has had profound implications for the success or failure of political, social and economic objectives. All these trends should make us think more strategically about what we can achieve in attempts to grow the economy to provide decent employment and skills.

The message for policy is clear - the future success of an artisanal system in the country must acknowledge and take into consideration the complexity and power of the historical processes and associated discourses underlying the specific training system in the country over time.

4.2 Policy implications deriving from the shifting macro-economic structure

At macro-economic and international levels, the shifting economic structure means that employment prospects in relation to artisan training have shifted significantly over the past decade. The implications are three-fold. Firstly, the economic structure is characterised by a decline of primary and secondary sectors (such as mining and agriculture), which are normally labour intensive and were historically important formal employers of artisans. The growth of tertiary sectors on the other hand, demands a smaller but highly skilled labour force. Secondly, the largest formal and informal employment losses between 2005 and 2011 were in the labour categories where we would find artisans. Lastly, the decline of primary and secondary sectors has also mean that as more jobs have been lost in the formal economy, so increasing numbers have been created in the informal economy (Bhorat & Oosthuizen, 2008).

These are important economic and demand side variables that should underpin the discussion on TVET for artisans going into the future. If artisanal employment is very different from the past, then artisanal skilling – and planning for TVET – will have to change in the future. Given such trends questions need to be asked about whether or not the labour market (especially formal) has the capacity to absorb fully the new artisan labour market entrants; at what rate and in which sectors? Therefore, consideration should be given to how these and other trends influence and are aligned to the type of artisans being trained and where they are being trained, as well as for what type and level of employment.

The pertinent policy message for planning is that no policy aimed at training artisans should be formulated and implemented without a consideration of which sectors are growing and which could be encouraged to grow in a globally competitive environment, in order to generate employment opportunities for future artisans. What the data and arguments reiterate is a continued need for a clearly co-ordinated effort in policy formulation that involves all relevant government policy clusters, the employing sectors and education providers in better aligning skills supply and demand.

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