

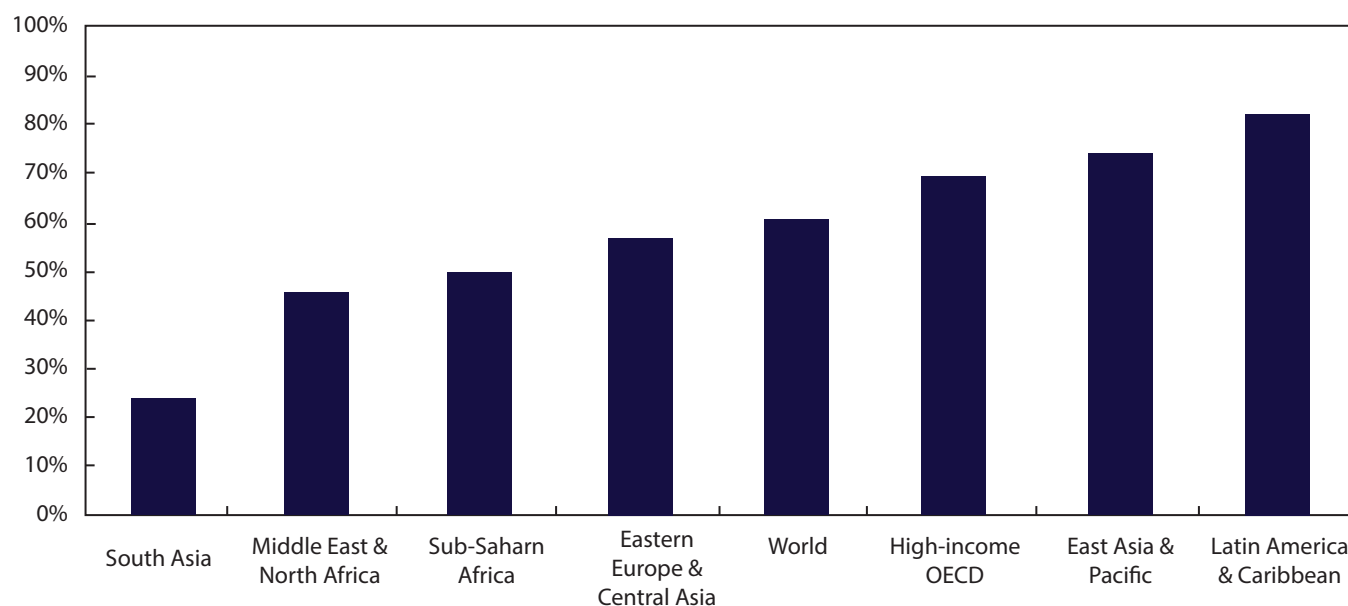
## Data set 3

**Especially in MICs, changing economic structures are putting mounting pressure on education systems to go beyond primary education. South Africa is a good example.** In the absence of the large manufacturing or agri-processing sectors that utilise low-skilled workers in most African countries, secondary education is often the minimum requirement for entry to wage employment in the formal sector. South Africa's post-apartheid economic development was largely one of capital-intensive technological change in production methods and a shift towards skill-intensive services (banking, telecommunications) away from the low-skilled manufacturing which had previously been the employer of large parts of the labour force. The shift has led to stronger demand for skilled labour and less demand for unskilled labour (Bhorat and Hodge, 1999; Dias and Posel 2007; Banerjee et al. (2008); Fourie, 2011; Rodrik, 2006). Rodrik observes that 'this structural change away from the most low-skills intensive parts - and resultant skills supply-and demand mismatches - is key to understanding the concentration of unemployment among the young, unskilled and black population.' Given these dramatic changes and the move of the economy towards equilibrium with demand for higher skills, the only chance for South Africa's youth is a concerted effort in investing in better education. Africa is making progress with the provision of education but serious quality gaps remain (Box 6.9).

**Expansion is not enough. Quality and relevance of education must be improved to reduce the skills mismatch.**

The previous analysis has shown that the level of broad unemployment is especially high at secondary level, suggesting serious skills mismatches. Most general secondary education in Africa has long followed the ideal of providing the prerequisites for an academic education or a white collar (office) job in the formal (and urban) sector. Yet, as earlier sections have shown, only a small minority of young people have access to either of these options. Moreover, the skill set many formal employers are looking for is a more practical and applied one than that provided in most schools, including behavioural and interpersonal skills, as well as basic familiarity with concepts relevant to business

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How does the education system need to change in middle income countries such as South Africa?

Why might this be different in lower income countries?

What does Figure 6.32 tell us?

Why might this be so? Come up with three separate possible reasons.