

NEVA MAKGETLA: Pay gap the result of unfair education system

Limited access to teachers and resources keeps poor children at a disadvantage almost a quarter century after the end of apartheid

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Almost a quarter century after the end of apartheid, pay in SA remains among the most unequal in the world.

In an International Labour Organisation (ILO) comparison with similar economies, the best-paid 1% received less than 10% of all wage income outside of SA; in SA, their share was close to 20%.

Unequal pay reflects, in part, persistent inequalities in education. Apartheid explicitly set out to limit the pool of skills so as to inflate the earnings of people with formal qualifications.

Today, the economic rewards to higher and further education in SA are still unusually large. Almost 75% of adults with post-secondary education are employed, compared to just over 50% of people with matric. Once they get a job, people with a post-secondary education can expect a median income three times as high as those who leave school with only matric. For a university degree, the figure rises to five times as much.

High returns to post-secondary education have persisted, despite a rapid expansion in formal education. For people aged over 25, the share with at least matric has almost doubled from just over 20% in 1996 to about 40% today. The

percentage with a post-secondary diploma or degree climbed from 7% to almost 15%.

These levels of qualifications mean SA has almost caught up with peer economies. According to World Bank data, for upper-middle-income countries excluding China and Russia, 43% of adults over 25 had finished secondary school, and some 17% had a tertiary qualification. Russia was an outlier because it had very high education levels. In contrast, China reported that only a fifth of adults had finished secondary school and under a tenth had any tertiary education.

SA's progress in upgrading skills would have been even faster if not for substantial net out-migration of professionals — that is, an outflow of people with degrees that was not offset by im-migration of similarly qualified individuals. From 1994 to 2016, SA graduated almost 3-million people from universities and technikons. But the 2016 Community Survey found only 2,1-million resident university graduates aged under 45.

Net emigration resulted in part because it was easy for SA graduates to seek greener pastures, given a global skills shortage and the international recognition of SA qualifications. Their loss was not offset by immigration because of draconian restrictions on work permits for skilled people. Perversely, these rules sought precisely to maintain the pay inequalities entrenched under apartheid. They specifically mandated that most professionals could work in SA only if they would not compete down pay — exactly the opposite of what the country needs.

At the other end of the scale, poor quality and, in many cases, inappropriate education meant a matric did not guarantee decent work. A variety of national and international tests showed the low level of most SA schools. Those results largely reflected the persistence of unequal resourcing entrenched under apartheid. In the early 2010s, for instance, historically African schools had a learner:educator ratio of over 40 to one, compared to just 22 to one in historically white schools — and an average of under 20 to one in other upper-middle-income economies.

The poor quality of SA schools also reflected a gap between what the education authorities thought the economy required and its actual needs. The shortfalls appeared mostly obviously in the failure to ensure that all learners had access to computer competencies. In 2015, outside of Gauteng only 28% of schools had a computer centre, and 15% had internet for educational purposes. In Gauteng, the figure rose to 80% with a computer centre and 64% with internet for teaching.

In short, despite improved access to formal schooling, the relationship between the economy and education remains vexed. Dealing with this problem requires both a far more radical transformation of both resourcing systems and content in general education. It would also help to reform immigration rules to promote equality and growth rather than maintaining professional privileges.

• *Makgetla is a senior researcher with Trade and Industrial Policy Strategies.*