Human Resource Development for Economic Growth in Sub-Saharan Africa

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Introduction

- This presentation is based on the following premises and concern:
- The rapid economic growth of Africa in the 21st century is based on investment in productive technology that requires skilled labour. To sustain it there must be an adequate flow in the supply of skilled labour over time starting now.
- Can Africa deliver?
Background: Pre-Colonial

- “Ever since the pharaohs, Africa has been coveted for its riches.” (Meredith, 2014:xiii)
- The goldfields of West Africa attracted Europeans as early as the 14th century.
- Mansa Musa, ruler of the Mali empire, paid a visit to Cairo in 1324 and generously distributed so much gold that he ruined the money market there for more than 10 years.
- Africa has had civilisations that rose and fell. The Egyptian civilisation was one of the first.
Background: Colonisation

- In the middle of the 17th century that European settlement in Africa commenced in significant numbers when the Dutch East India Company established a permanent settlement in present-day Cape Town.
- Thereupon the European “scramble for Africa” proceeded in all seriousness.
- It was formalised in 1884 at the Berlin Conference when Africa was carved up into British, French, Portuguese and German colonies, thereby merging more or less 10,000 African polities into just 40 colonies.
Background: Post-Colonial period up to 2000

- The decolonisation of Africa commenced in 1957 when Ghana became independent. Most African colonies regained their independence during the 1960s.
- At first there was a sense of optimism that Africa would soar up and prosper, but these hopes were shattered as the 20th century wore on.
- Dictatorships and military coups became fairly common. This condemned millions of Africans to poverty while a small elite usurped the wealth.
- This lead *The Economist* of 13 May, 2000, to label Africa as “The Hopeless Continent”.
Africa in the 21st century

- This set off what Horman Chitonge (2015) has labelled the “Africa Rising Narrative” (ARN).
The Africa Rising Narrative (ARN)
Three views on the ARN

- Chitonge identifies three views on the Africa Rising discourse:
  1. Strongly positive: the current dynamism is an opportunity for transformation and rapid economic growth in Africa;
  2. Negative and cynical: Africa won’t emerge out of chaos and failure;
  3. A cautious middle path.
Positive Africa Rising Narrative

- In the strongly positive narrative Chitonge places Steven Radelet’s book *Emerging Africa* (2010), and Robert Rotberg’s *Africa Emerges* (2013).
- For instance, Rotberg (2013:1) writes: “Africa no longer is the fabled, deeply troubled ‘dark continent’. Most of its countries are growing economically, delivering significant social enhancement to their inhabitants, and progressing politically.”
Evidence of positive ARN

- Chitonge provides mainly economic evidence that supports the positive narrative.
- He shows that gross domestic product (GDP) in Africa grew steadily at 4%-6% p.a. from 2000 to 2007, then declined in 2008 and 2009, but recovered to 5%-6% from 2010 onwards (pp.240-41).
Fast growing countries in SSA

- He points out that there are growth disparities between countries, but “the majority of countries experienced positive growth, with some – such as Nigeria, Mozambique, Ethiopia, Rwanda and Angola – recording an annual average GDP growth rate of over 7 per cent over the 2000-2010 period.” (p.240)
Positive and negative evidence

• Chitonge also found “a remarkable reduction in the debt burden around 2005-6, as well as a substantial increase in foreign direct investment (FDI) around 2008-2009.” (p.241)

• However, there is also a negative side: He shows that, from 1980 onwards there has been little progress on key issues such as national savings, fixed capital formation and agricultural production.
More negative features

- Even more worrying, says Chitonge, is the lack of transformation of the economies of most African countries.
- The manufacturing sector “accounts for only a tiny section of the exports of most African countries.” (p.245)
- “The larger share of export earnings for most countries in SSA still comes from agriculture, where productivity is actually declining.” (p.245)
Mono-product economies

- Where there is not an over-reliance on agriculture, there is an over-reliance on the export of a single raw material, such as oil, or a mineral or metal such as diamonds or copper or bauxite.
- For instance, oil accounts for 87% of Nigeria’s exports and 91.3% of Sudan’s while copper accounts for over 70% of Zambia’s exports (p.245) and bauxite for 80% of Guinea’s exports.
Chitonge concludes that “growth seems to be concentrated within the commodity and services sectors, with little or no linkage to the rest of the economy – thereby creating two Africas: the new and rising, and the old and stagnant. And this is one of the reasons why there has been little effect on poverty and inequality in most African countries.” (p.245)
Lack of manufacturing capacity

- What Chitonge’s analysis shows is that most African countries, especially those that depend on a single source of wealth, have not diversified their economies.

- They have not succeeded in benefiting the raw materials they export by developing processing and productive capacities, i.e. by developing a manufacturing sector.

- Instead, they import the finished products from countries to which they export the raw material.
II
Informal Work in Sub-Saharan Africa
Large informal sector and informal employment

• Chitonge and many other writers on Africa ignore another serious drawback: The existence of a large informal sector and extensive informal employment.

• Although reliable figures are hard to come by, some of the most convincing evidence shows that at least half, possibly two thirds of Africa’s labour force is working informally.
Study of informal urban employment in 2000


- It shows that informal employment as a proportion of total urban employment in 5 countries ranged from 70% to 85%, in 8 countries in the 30% to 69% and in 4 countries in the 15% to 29% range. The average for the 17 countries is 52%.
Divergence between countries

- The 5 countries where informal sector workers as a percentage of total urban employment was above 70% are Uganda (84%), Zambia (81%), Ghana (79%), Gambia (72%) and Mali (71%).

- The 4 countries where it was below 30% are South Africa (17%), Botswana (19%), Mauritius (24%) and Morocco (28%).
Drawbacks of informal work

- The drawback of informal employment and self-employment is that it is mostly in low-skill, low productivity and low pay work.
- It is also not regulated by the state or by collective bargaining agreements and institutions such as trade unions.
- Working conditions are thus often poor and unsafe with long working hours.
III

Human Resource Development in Sub-Saharan Africa
Human Resource Development

- By human resource development (HRD) is meant providing people with sufficient knowledge and skills to render them employable or to engage in sustainable self-employment. It has two components: education and training. Training includes both theoretical and practical components. It provides trainees with both the knowledge and dexterity to be able to perform the tasks for which they are employed.
Education in Sub-Saharan Africa (SSA)

- Education is the foundation on which technical and vocational training is built.
- A recent World Bank Study (World Bank, 2012) finds that, over the past 20 years, educational levels have risen sharply across the sub-continent.
- However, all is not well and there is still a long way to go compared to what Europe and Central Asia (E&CA) have achieved. Whereas in E&CA there was a gross enrolment ratio of 91% at upper secondary school level in 2009, in SSA it was only 21%.
Quality of education low

- A matter of concern is that children who are at school are not receiving an education of sufficient quality. Combined test scores from three international learning assessment programmes have found that “Primary school students in low-income Sub-Saharan African countries have, on average, learned less than half of what is expected of them.” (World Bank, 2012:6)

- It was also found that children from higher income countries in SSA perform better than the average, while children from poorer SSA countries perform worse.
Vocational education and training of informal employees

- Since a majority of people are working informally in Sub-Saharan Africa, it is important to know what vocational and technical education and training they are receiving.
- The most common form of vocational training in the informal economy of Sub-Saharan Africa is traditional apprenticeship.
Traditional apprenticeship

- According to Johanson and Adams, “traditional apprenticeship training is responsible for more skills development than the offerings of all other training providers combined.” (2004: 129)

- The apprentice learns how to perform the tasks from a “master”. It is a process of learning by watching and doing: “Training consists primarily of observing and imitating the master.” (Johanson and Adams, 2004:131)
Advantages and disadvantages of traditional apprenticeship

- Advantages are that it is an easy way for a youth to enter the labour market, and it does not require government financial support of subsidies.
- The disadvantages are that the level of skill acquired is usually low as the training is “relatively unsophisticated”, technology in use is dated, and there is no standardisation to ensure that a certain level of competence has been achieved.
- It does not qualify the youth to enter the formal labour market.
Additional training institutions

- Johanson and Adams identify three additional institutional bases through which HRD is advanced in SSA.
- They are technical and vocational education and training (TVET) by the state, by non-governmental organisations, and by formal sector enterprises.
- They find that states’ institutions continue to fall short in terms of both their efficiency and effectiveness.
More effective training institutions

- State institutions have been found to be most effective when stakeholders have been given authority for developing the training and allocating resources.
- The non-government training sector (NGOs and for-profit organisations) have been found to play an important role in the supply of skills for SSA, but a lack of resources sometimes restrain them.
Training in the formal economy

- Training in the formal sector of the economy plays an important role in the provision of training.
- In combination with the non-government training institutions it provides more training than state-sponsored institutions.
- Large enterprises with more than 150 employees provide 10 to 20 times more formal training than small enterprises with fewer than 10 employees.
IV
Role of HRM in Human Resource Development (HRD)
Important role of HRM

- Having established the importance of formal sector enterprises in skills development it is important to look at the role of human resource management (HRM) in skills development.

- The role of HRM in providing technical and vocational education and training in formal companies, especially in large and multi-national corporations (MNCs), is of crucial importance in SSA.
Management in SSA

- There are many instances of high quality and innovative management in SSA. As Kamoche and his co-authors (2012:2827) have pointed out, there have been impressive achievements of innovative management on the African continent.
- The pioneering invention of M-Pesa in Kenya by Safaricom is a good example.
- These innovations all require highly skilled employees.
Evaluation of HRM literature on human resource development (HRD)

- Yet, in much of the literature on HRM in Africa there is very little emphasis placed on the role that human resource managers play in the provision of technical and vocational education and training (TVET) in SSA.
- For instance, nowhere in recent literature edited or written by Ken Kamoche (Kamoche et al, 2004; Kamoche, 2011; Kamoche et al, 2012) on HRM in Africa is there a discussion on apprenticeship and internship in order to turn employees into qualified artisans.
Apprenticeships are crucial

- Instead, there is an emphasis on the transfer of skills and knowledge by expatriates to locals in MNCs (Kamoche et al, 2012:2829). However, this transfer of skill only applies at the managerial level, not at the worker level.
- Yet apprenticeships are crucial and the bedrock on which highly productive mining, manufacturing, and related industries such as transport, construction, electricity and water supplies are built.
Conclusion: Summary

- Africa has attained a high economic growth rate in the 21st century fuelled by productive investment in the formal sector.
- Most employment in Sub-Saharan Africa is in the informal sector where low-level training takes place.
- School education in SSA is still lacking in that it’s retention rate and quality are generally low.
Conclusion: The way forward

- State institutions of training need to give more autonomy to stakeholders in the design and running of technical and vocational training.
- Human resource managers in large formal enterprises must prioritise TVET in order to ensure Africa’s continued economic growth and road out of poverty.
Final Conclusion: My African Dream

‘Cos in my African Dream
There’s a new tomorrow
‘Cos in my African Dream
There’s a dream that we can follow!