



POLICY BRIEF

Pathways through university and into the labour market: Tracer study from the Eastern Cape

Michael Rogan and John Reynolds

Introduction

A key area for policy in South Africa is how to develop a strong foundation of labour market information and to provide the type of intelligence and signals that can help government, stakeholders, education and training providers, and students to make more informed decisions about how resources are invested in skills development, education and training. In order to address this need the DHET initiated a four year Labour Market Intelligence Partnership (LMIP) project, with research to be conducted by an HSRC-led consortium. The project investigates labour market and skill issues, with a view to produce recommendations on how education and training institutions could respond to signals from the labour market, with the goal of developing a credible skills planning mechanism for South Africa.

The post-apartheid period has seen a comprehensive reorganising of the higher education system while, at the same time, there have been important structural changes in the labour market. Many of the changes associated with a globalising workforce have introduced fundamental shifts in labour market experiences for all workers, but, arguably, for the youth (often defined as either 15- to 24- or 15- to 34- year-olds), in particular, as well as recent university graduates. As a result, in South Africa, there has been renewed interest in graduate employment and, more broadly, the role of higher education in addressing both high levels of youth unemployment and a perceived skills gap.

This policy brief (from the HSRC's Labour Market Intelligence Partnership) is based on a recent LMIP report that explored the findings of a graduate tracer study conducted in the Eastern Cape. The broader objective of the study was to explore key education and labour market pathways and to understand the demographic,

socio-economic, spatial and institutional characteristics that are associated with graduates' decisions throughout their university education and their transition to the labour market.

Given government's desire to increase the number of Science Engineering and Technology (SET) enrolments at South African universities, the research presented in this policy brief investigated two outcomes. First, the research identified **which graduates obtained their first choice degrees** and, for those that did not, explored some of the reasons for changing degrees. Second, the research investigated **which graduates find employment** and which do not and whether the risk of unemployment is related to degree choice.

Research Approach

For the tracer study the researchers interviewed successful graduates from the two traditional universities in the Eastern Cape, namely Rhodes University (RU) and the University of Fort Hare (UFH). A stratified random sample was compiled from graduates who completed a three- or four-year Bachelor's degree in 2010 and 2011. Data from 469 graduates from RU and 742 from the UFH were gathered through telephonic interviews and an online survey.

The racial composition of graduates from the two universities were very different. Most graduates from Rhodes University (57% of the sample), were white and 35% black African. The vast majority (93%) of graduates in the group from Fort Hare were black and less than 5% were white.

Looking at schooling histories, the researchers found that about half of the Rhodes graduates attended former Model C schools¹, and 30% attended private schools with very high tuition fees, relatively good infrastructure and low learner-to-teacher ratios. In the case of Fort Hare, 53% attended low-cost public schools associated with lower academic achievements, high learner-to-teacher ratios and relatively poor infrastructure.

Degree Preferences and Completion

The study preferences (e.g. humanities, commerce, or SET) of both groups of graduates while still at school were more or less the same. In terms of realising their intentions, about **47% of Rhodes graduates** and **41% of Fort Hare graduates** went on to **complete a degree in their first choice of field of study**.

However, the research showed that these figures masked large differences between fields of study. At Rhodes, about 60% of graduates who intended to study a discipline within SET, successfully completed a degree in SET. Among Fort Hare graduates, less than half (48%) of those who intended to obtain a SET degree, did so. Rhodes graduates also were significantly more likely than Fort Hare graduates to complete the specific degree in which they originally intended to enrol. Fort Hare graduates who changed their study category between matric and university graduation, often switched to a humanities degree.

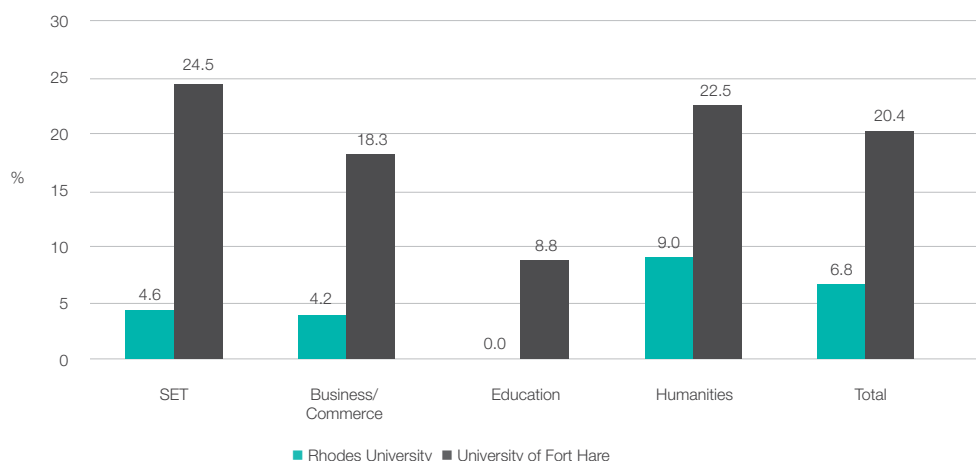
The main reason provided for changing from the initial intended course of study, also differed between the groups. Among UFH students, 32% indicated that their marks were not good enough to gain entry or to complete their studies. Financial pressures were also a consideration with 7% indicated a perceived lack of jobs in their initial choice of study, or a lack of scholarship opportunities (14%). The main reason provided by RU graduates for switching their course of study was a loss of interest (48%).

¹ Under the apartheid state, "Model C" schools were semi-private institutions with decreased funding and larger autonomy from the state. By 1993, due to government policy, 96% of white public schools had become "Model C" schools. Although the form was abolished by the post-apartheid government, the term "Model C" is still commonly used to describe former whites-only government schools (SA-IRR, 2011).

Finding Employment

Over and above the differences in study trajectories and degree completion, there are also some important differences in the post-graduation outcomes of UFH and Rhodes graduates. Most notably, there are large differences between the two groups of graduates in terms of their transitions into employment.

A striking finding of the study was the difference in unemployment rates between the two groups. The **unemployment rate among Rhodes graduates was 7%, while the unemployment rate among Fort Hare graduates was almost three times higher (20%).**



Notes: The data are weighted.

Figure 1: Broad unemployment rates (at 1 March 2014), by field of study.

After taking into account the survey's margin of error, the study did not provide any evidence that unemployment for humanities graduates was significantly higher than for graduates of SET and commerce. Education graduates, however, found employment much easier than other UFH graduates (8.8% unemployed), showing relatively easy absorption into the teaching profession relative to other fields.

The vast majority (73%) of RU graduates were employed in the private sector, while 67% of UFH graduates found employment in the government sector.

An important difference between employed graduates from the two universities was their job search strategies. The most common means of finding their current job among RU graduates was through personal contacts or social and other networks (30%). Fort Hare graduates relied to a great extent (36%) on newspaper advertisements.

Conclusions and Recommendations

The study found that UFH graduates are less likely to complete their first choice degree, owing to reasons such as insufficient marks, financial pressure, and a lack of scholarship opportunities. This suggests that encouraging students to pursue qualifications in, for example, SET subjects may not be enough. Many of the factors linked with failing to obtain a first choice degree were not related to changing preferences but rather to academic and financial barriers.

In terms of the transition to the labour market, graduates of the University Fort Hare were far more likely to be unemployed (nearly three times more likely) than graduates of Rhodes. This higher risk of unemployment does not seem to be related to fields of study as SET graduates were just as likely to be unemployed as humanities graduates at Fort Hare. Rather, part of the explanation may be that graduates of the UFH employ less competitive job search strategies, relying to a great extent on newspaper advertisements, while the single most common means of finding their current job among RU graduates was through personal contacts or through social and other networks. This suggests that UFH lacks the personal connections and social networks that are available to RU graduates.

From these conclusions one recommendation is that rather than addressing study choices alone to reduce graduate unemployment policy should focus on improving the match between graduates and the labour market. To this end, besides interventions in poorly resourced schools, policy could focus more closely on creating links between universities and employment through, inter alia, enhanced career guidance, work placement programmes, and linked bursaries.



LABOUR MARKET
INTELLIGENCE PARTNERSHIP

Published in 2016 by the Labour Market Intelligence Partnership (LMIP) Project.

The LMIP project is undertaken by a research consortium led by the Human Sciences Research Council, and is funded by the Department of Higher Education and Training.

www.lmip.org.za

Designed, typesetting and proofread by COMPRESS.dsl
www.compressdsl.com

Disclaimer

The ideas, opinions, conclusions or policy recommendations expressed in this policy brief are strictly those of the author(s) and do not necessarily represent, and should not be reported as those of the HSRC-led research consortium or that of the Department of Higher Education and Training.

