

**PRESENTATION TO HRD COUNCIL ON:
LABOUR MARKET INTELLIGENCE PROJECT (HSRC)
AND
TTT ON ALIGNMENT OF HRDSA AND NGP
AND
TTT ON SKILLS REVIEW**

Introduced by : Mr F Y Patel DHET

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Alignment of HRDSA and NGP: Dr Neva Makgetla

PURPOSE TO PLACE THE THREE PRESENTATIONS THAT FOLLOW INTO CONTEXT AND ALIGNMENT

- The three presentations on this agenda have been consulted and aligned through the last TWG meeting.
- Labour Market Skills Planning Mechanism – Labour Market Intelligence Partnership Project (LMIP) – HSRC to brief HRDC
- TTT – Alignment of HRDSA, NGP and NDP
 - They make a number of recommendations in regards **to skills planning mechanisms** that finds resonance with the Labour Market Skills Planning Mechanism
 - The TTT advocates for a **central demand side mechanism driven by DHET** with a greater role for the economic departments - with a revised role for the SETAs
- Skills System Review Technical Task Team Report on responses to the Ministerial Task Team on SETA performance
 - They make recommendations on **demand side and supply side planning** and advocate for a **central demand side mechanism**
- The DHET will take the suggestions forward in the development of the Skills Planning Mechanism.

PROBLEM STATEMENT LABOUR MARKET SKILLS PLANNING MECHANISM

- Skill deficits contribute to structural constraints to growth and development
- A skilled and capable workforce is critical for: decent work; an inclusive economy; labour absorption; rural development; reduction of inequalities and need for diversified and knowledge intensive economy
- HRD STRATEGY 2001
- ASGISA
- JIPSA

POLICY RESPONSE

- In 2008 Government called for a review of the HRD Strategy 2001.
- In 2007 the governing party took a decision to split the DoE to Schooling in DBE and Post School to DHET and to move the Skills function from DoL to DHET.
- The HRD Strategy for SA was finalised in 2008 and it established the HRD Council, a multi-representative council of role players, chaired by the Deputy President in 2009. It also took over the role of JIPSA.
- **Commitment 8: We will establish effective and efficient planning capabilities in the relevant departments and entities for the successful implementation of the HRDSA**
- **Strategic Priority 8.1 of the HRDSA commits to improve the credibility, validity, utility and integrity of the various data and management information systems, which are vital for the successful planning and implementation of the HRDSA.**
- The Medium Term Strategic Objectives of the 2009 Government prioritised employment, jobs, the economy and education and training.

POLICY RESPONSE

- The 5th outcome of this government, namely **A skilled and capable workforce to support an inclusive growth path** had been assigned to the Minister of Higher Education and Training through a performance agreement signed by the Minister with the President the Minister in turn signed a Delivery Agreement with the relevant Ministers (DBE, DTI, EDD, DST, DOL).
- The Minister in turn has prioritized this outcome in the DHET 2010 – 2015 -5 year strategic plan, in the NSDS 3 and in the Strategic Funding Framework of the NSF.
- NSD Strategy III: 2011 to 2016: **“There is no institutional mechanism that provides credible information and analysis with respect to the supply and demand of skills”**. (Goal 4.1)
- Outcome 5.1 has as an output: **Develop a credible mechanism for skills planning.**
- Ministers signing the delivery agreement: Basic Education, Economic Development, Science and Technology, Labour, Trade and Industry
- Officials of the Departments represented on implementation forums, theme, steering and advisory committees. (including NPC and DPE)

Labour Market Information Project (LMIP): Supporting integrated

Commitment 8.1 of the
HRD-SA
DHET Strategic Plan
Minister's Performance
Agreement

skills planning

Labour Market Skills
Information System

NSF - HSRC
consortium

PARTNERS

DOL
DBE
DST
DTI
EDD

DHET INSTITUTIONS
DHET ENTITIES

Frameworks

Systems

Integration

Career Information
System

Higher Education and
Training Information
System (Institutions and
Entities)

SAQA
and EU
Project

R400
m over
three
years

NSF -
DHET
Project

LMIP -HSRC

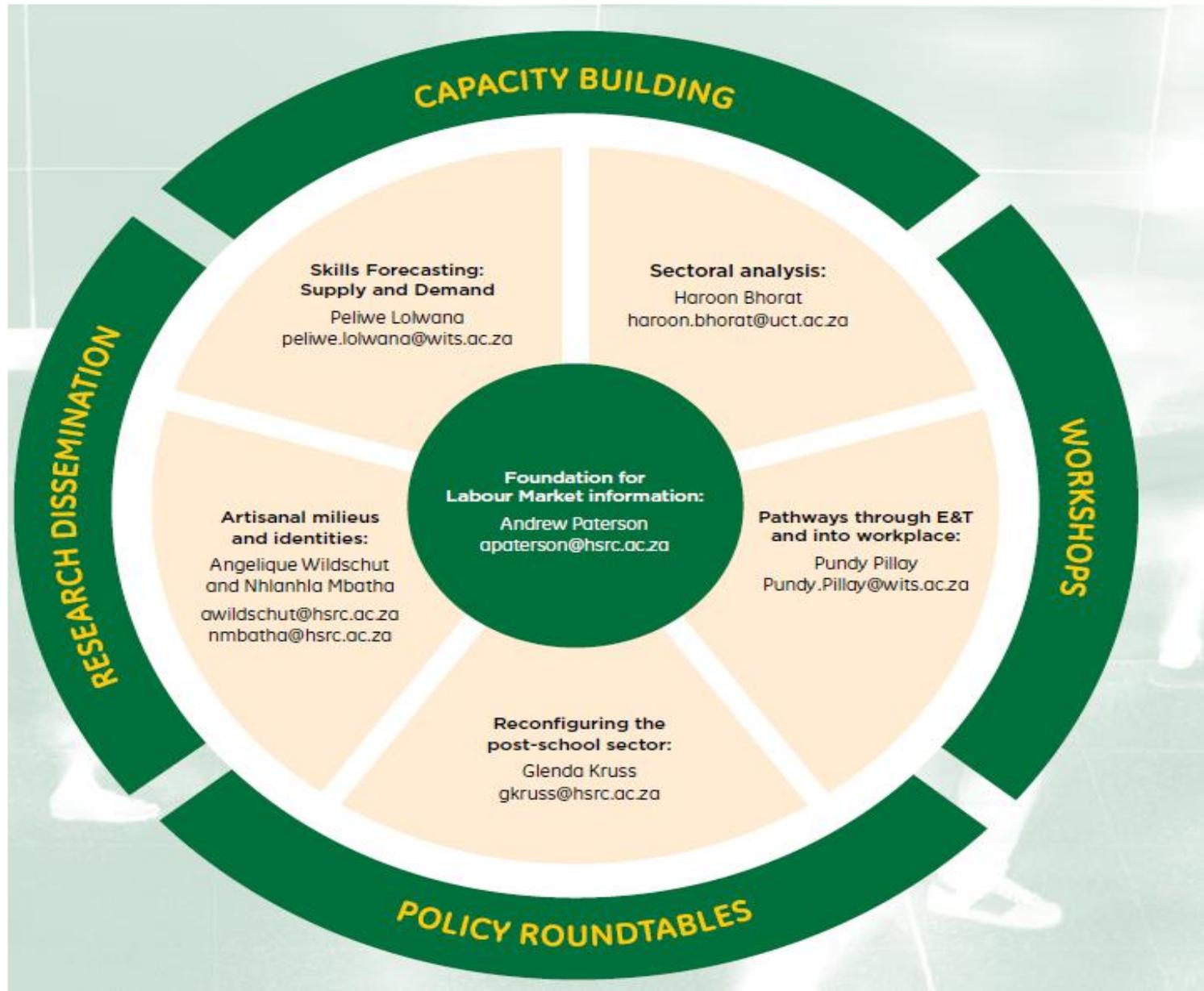
Research Translation

- To develop evidence (supply and demand data, information, knowledge, policies, capacities) that supports the state in planning the education and training system to meet the needs of society and the economy and to introduce further active educational and labour market policies that facilitates the attainment of the goal of a 'skilled and capable workforce to support an inclusive growth path'.
- The research and information framework is one that connects capabilities of individuals and institutions.

RESEARCH OBJECTIVES FOR LMIP

- To establish the contours of the post-school sector and the gaps in our knowledge.
- To determine the available datasets and frameworks; their quality and potential alignment to contribute to an LMIS.
- To identify and generate new datasets (supply & demand side) needed for a credible LMIS.
- To develop contextually appropriate models and approaches to analyse the demand for skills.
- To analyse the structural dynamics (institutional conditions & capabilities, curricula, occupational structures) in order to inform processes to improve the quantity and quality of graduates from post school institutions.
- To engage within a Research-Policy-Practice Nexus to enhance the research questions and the reading, communicating, translating & using research; and to contribute to enhancing the capacity of individuals & institutions.

The Research Architecture



Research-Policy-Practice Nexus: Engaging Knowledge

- Traditionally each of the actors worked separately.
- This unique project will only be successful if we work at the research-policy-practice nexus – both in terms of defining the scope of the research and in terms of the uptake of the research.
- Working in this space is a new relationship and the challenge is to develop the rules of engagement within this space.

Individual and Institutional Capacity Building

- Support of honours and masters students in the areas of skills development, post-school sector and labour market studies.
- All research projects include research trainees.
- A series of 'learning sessions' organised for government department officials and for SETAs practitioners to enhance their understanding of the labour market information and to read research.

Alignment of HRD & NGP strategies: The core challenges



The problem:

Despite new institutions and planning exercises, skill shortages still underpin inequalities (high pay, lack of career mobility for ordinary workers) as well as constraining economic growth

Why?

- Economic stakeholders do not engage sufficiently with demand-side forecasting/planning
- Demand planning
 - Focused too narrowly on “shortages” rather than needs for growth/equity in longer term
 - Does not think ahead of the market to identify medium/long-term skills demand
 - Technological and policy impacts are hard to forecast
- SETA planning
 - Does not build on SETA functions or strengths
 - Largely shaped by broader national priorities and concern for the unemployed rather than the critical need for core industries to contribute to growth, employment creation and equality through life-long learning

Implications:

- Economic stakeholders must come to the party – Skills and Education Accords provide a basis
- *Short term focus* on scaling up training & managing higher imports
- *Medium & longer term focus* on identifying what economy needs from basic education, expanding access to post-school options and life-long learning
- Increasingly ensure that qualifications permit adaptation to changing conditions

What demand-side planning can and cannot do

It can:

- Provide better data for stakeholders to make decisions
- Assist in making assumptions about the future explicit and transparent
- Assist in enforcing systematic and logical thinking
- Act as a focus for intelligent, critical debate

- It cannot:
- Accurately predict the number of individuals needed with a particular qualification
- Define what many occupations will look like even in the medium term (hence the focus on qualifications that are not narrow)
- Translate automatically into increased provision of skills

Some considerations

Long, medium and short term planning

- How to align? What is realistic and what kind of signals would guide skills supply?
- What are the roles of demand/supply institutions in the planning process, and how should they interact?
- What are the appropriate institutional structures given assigned functions?

The role of SETAs

- What is the core objective and role of SETAs in their industries?
- How can we help them fulfil that role better?
- How can we better manage government demands beyond that role?

Supplementing planning:

- Improve overall provision of education and skills (capacity and reach)
- Lifelong learning to adapt to economic changes and support workplace equity and mobility
- Attract qualified immigrants in general and discourage emigration of skilled people
- Improve counselling and guidance for learners and workers

Proposal: Demand-side planning with stronger input from economics stakeholders

- Emphasis on foresighting over medium to long term, not just immediate shortages
- Aim to reduce inequalities as well as drive growth – not shortages alone, but also high costs
- Steering Committee convened by DHET with strong involvement of new Productive Sectors Forum – supported by a secretariat within DHET/ an agency
 - Determine effective methodologies for foresighting and requisite, useful, realistic outputs
 - Guide/align related research already being done and may require additional research
 - Ensure demand-side planning affects supply at all levels
- SETA role:
 - Provide data through stakeholder engagement at sector level and WSPs
 - Use the national framework to inform priorities for the sector and shape supply
 - Focus on growth and equity in their sector
- NSF to fund broader national socio-economic imperatives, including skills programmes for emerging industries

Other options

Option Two: Status quo with role clarity

- DHET completes NSDS based on research that provides an indication of national needs (to be funded by the NSF)
- Indicates implications for the types of programmes to be supported in the sectors
- SETAs undertake SSPs based on stakeholder inputs
- SETAs ensure grants support economic development and substantially improved career mobility in their industry (with tight limits on national demands beyond that)

Option Three: Productive Sectors Forum takes on demand-side foresighting

- Productive Sectors Forum establishes skills planning agency
- Communicates demand-side needs consistently to DHET and other supply-side planners/skills providers
- SETAs provide data relating to the workplace and engage with stakeholders about sector priorities

Next steps

- Proposal based on research and consultation with key stakeholders and in multiple forums (and further workshops planned by and HRDC, DHET and economic sector departments)
- Based on response from HRDC, DHET will take the process of setting up SC forward
 - SC then to establish national planning approach – outcomes, outputs and methods – that will also affect LMIP
 - SC also to define roles of SETAs and NSF in planning process and in managing supply to meet emerging needs
- Will require economic departments to engage much more actively (will need to dedicate capacity)
- HRDC will continue to support the above as required and will enable wider stakeholder engagement

Thank you!