higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

ADDRESS BY MINISTER OF HIGHER EDUCATION AND TRAINING, DR. BLADE NZIMANDE AT THE LAUNCH OF THE LABOUR MARKET INTELLIGENCE RESEARCH PROJECT

HSRC CONFERENCE CENTRE, PRETORIA
4TH SEPTEMBER 2012

The Programme Director

CEO of HSRC, Dr Olive Shisana

Dr Vijay Reddy and members of the HSRC research team

Researchers

Leaders and officials within the post-school system

Captains of Industry

Distinguished Guests

Ladies and Gentlemen

Fellow South Africans

I want to thank you all for attending this prestigious event today, which marks the official launch of a multi-year initiative and consortium, the Labour Market Intelligence Partnership (LMIP) research project, which is led by the Human Sciences Research Council (HSRC). Any gathering of as senior and as diverse a representation of actors requires a fine balance of schedules and diaries, which leads me to believe that your presence here this morning signals your commitment to the skills development agenda of our country as a critical component of our overall developmental objectives.

As many of you will know, the Department of Higher Education and Training (DHET) is responsible for ensuring the achievements of the targets set out in Outcome Five (5) of the current government's twelve (12) priority Outcomes. Outcome 5 is specifically concerned with the development of a skilled and capable workforce to support an inclusive growth path. Outcome 5 includes a number of outputs, of which the first reads: *the establishment of a credible institutional mechanism for skills planning*, which includes the following sub-outputs:

5.1.1 the development of standardised frameworks for the assessment of skills supply, shortages, and vacancies in the country

5.1.2 the development of mechanisms to interface operational systems

5.1.3 the development of strategic management information systems

Put simply this project aims to set up systems for reliable data indicating skills needs, supply and demand in our labour market in a manner that will enable our country, including government and business to plan better for human resources development needs of our country.

The sub-outputs referred to earlier relate specifically to the establishment of the Labour Market Information System. For far too long, the tools we have used to prioritise skills in this country have been based on a limited understanding and analysis of the character,

structure, and shifts in the economy and the labour market. This LMIP and other related projects hold the promise of refining our tools for an informed and an informative skills planning approach, tailored to the specific needs and policy context of South Africa in the 21st Century.

In 2009, the President created the Dept. of Higher Education and Training to bring together, under a single Minister, responsibility for both post school education institutions (i.e. the FET colleges and universities) and the skills-levy institutions (the Sector Education and Training Authorities (SETAs) and the National Skills Fund). The purpose of this was, in part, to address the lack of coherence in the post-school education system and training system and to integrate Education and Training across the full spectrum of education and training providers and funders as well as the quality assurance institutions.

The location of education and training institutions in the former Department of Education and the skills development infrastructure in the Department of Labour made it difficult to bring about the necessary and required synergies in education, training and skills development. It also made it difficult to ensure articulation of programmes and qualifications administered by the SETAs with those provided in colleges and universities.

The establishment of a dedicated department was to focus on Higher Education and Training as well as to address some of the challenges relating to skills shortages and the lack of synergy between our FET colleges, universities, SETAs and the labour market. It was also to allow for focused attention on the specific challenges of the post-schooling system – as well as, of course, to the challenges faced by schools which are now the exclusive focus of the Dept. of Basic Education.

The LMIP research project that we are launching therefore marks an important step towards these ends in terms of its focus on contributing towards the creation of a credible labour market intelligence framework – the establishment of a functional interface that will ensure better information gathering, analysis, and overall systems synergy in pursuit of a skills development agenda that is developmental, forward-looking, and embedded in empirical analysis of systems challenges and opportunities. It will provide information that is crucial to all our post school systems and to all sections of the labour market itself.

The research project seeks to contribute to the development of a common conceptual, theoretical, and methodological framework on the basis of which a more coherent body of knowledge and expertise on skills development, labour market intelligence, and informed policy making can be premised. This project is just one of the ways through which we hope to construct a common national policy narrative, institutional frameworks, and interfacing mechanisms for the country's skills landscape. I must mention, and this is on the informed advice of the HSRC, that this project is one of its kind globally in terms of scope and national funds set aside in its support. At an initial cost of R75million, it is just one demonstration of the seriousness with which we take the issue of establishing a credible institutional mechanism for skills planning.

This project is complementary to the establishment of the Higher Education and Training Management Information System (the HETMIS), as well as our Career Advice Information System, both also funded by the National Skills Fund. Across the 3 systems, the integrated skills mechanism would therefore house at least the following information gathered from various sources and underlying datasets:

- Population and Labour Force

- Employment and Unemployment
- Wages and Salaries
- Skills Demand
- Skills Supply
- Skills Movement and Flow
- The Informal Sector and its deployment/utilisation of skills
- Industrial Relations

The data derived from the HETMIS will be comprehensive enough to provide the data that will be required by the Labour Market Intelligence System and to be able to provide source data for the calculation of meaningful supply and demand indicators for the country.

To this end, the success of this project will, among other things, give further expression to the state's project of consolidating the post school system; which project commenced with the establishment of the Department of Higher Education and Training in 2009. Our aim is to ensure that the economic, industrial, and human developmental objectives of the country benefit from better synergy, state organisation, and monitoring.

There is no question that boosting the supply of skills has positive implications for both economic and social justice imperatives in South Africa. It ensures that the country has a continuous supply of the required skills for overall economic development while also contributing to individual mobility within the labour market. Within the context of the country's emerging developmental blueprint, as captured in the National Development Plan and the New Growth Path, this research project will be key to providing the information and labour market analyses required for aligning the economic and industrial priorities of the country with the education and training outputs required to support them.

This skills intelligence partnership will help us as the DHET and indeed as the South African state to better understand and provide leadership on issues relating to the supply and continued development of skills for the labour market.

It will make it possible for us to begin to create the necessary conditions (at both the industrial level and at the level of education and training) to support the creation of incentives that can support the desired course of optimal skills absorption and use in the labour market.

As you know, the government has made a commitment to a large expansion and upgrading of our national infrastructure. It has also decided to strengthen South Africa's industrial base and reverse the trend of de-industrialisation. The infrastructure programme and the decisions to prioritise local procurement as contained in the Local Procurement Accord, will assist in the re-industrialisation process. But this is not enough. It is necessary to have the skills to drive both the construction of new infrastructure and the expansion of manufacturing and other economic sectors. In order to focus our training better to produce the skills we need, to ensure that our colleges and universities have the material and human resources to produce the skills actually required, it is essential that we have in-depth knowledge of the skills required by the labour market.

Properly focused skills development, which this project will help us to achieve, will also be of assistance in achieving another of the government's priorities: drastically reducing unemployment. At the moment we have the anomalous situation where we simultaneously have mass unemployment and a shortage of skilled labour. Skilling our labour force will play a role in fighting unemployment, both directly in by providing skilled

to a skills-hungry economy, but also indirectly but providing a stimulus to economic growth and the development of new and existing industries and economic sectors.

As a labour market intelligence project, I am hopeful that this project will culminate in a smarter state that is able to collect and analyse data within the post-school system and, most importantly, make allocative and other policy decisions about the type and quantity of skills to produce, and the required institutional types and resources to provide these.

The challenge of spearheading our skills revolution in South Africa is enormous, but, as I have said before, never before in the history of our democracy have we been better positioned to advance the vision of a truly comprehensive and differentiated post-school system, which is capable of contributing to the lives of individuals, to the economy and to broader society. We must grasp this opportunity and ensure that it is not wasted.

The research on the LMIP has been organised in terms of the following six (6) themes:

Theme One: Labour market analysis, framework, data, and information systems

Theme Two: Skills forecasting: the supply and demand model

Theme Three: Selected sectoral analyses

Theme Four: Reconfiguring the Post-School Sector

Theme Five: Pathways through education and training and into the labour market

Theme Six: Understanding changing artisanal and occupational identities and milieus

It should be noted that although Theme Two is being lead by the Education Policy Unit, which is based at the University of the Witwatersrand, it nonetheless forms part of the overall research focus for Outcome 5.

The insights gleaned from the research as a whole will result in the establishment of the initial institutional and data architecture to improve knowledge and communication between the labour market and institutions of learning. Research on Themes 4 and 5 (i.e. on the post-school sector and pathways from education into the labour market) will be of particular relevance in strengthening the capacity of the Department, the colleges, the universities and the SETAs to produce quality skills across a range of programme and qualification types. The sectoral analyses will provide us with the insights on the differential strategies, interventions, and incentives that are required to encourage firms to absorb graduates, optimally deploy, and continuously develop the skills of its labour force.

An important feature of this research project relates to the capacity building opportunities for researchers in the HSRC and in its collaborating partners, including the Education Policy Unit at Wits and other university- and NGO-based researchers. The capacity building inherent in the project will also directly benefit officials within the DHET and some of the Sector Education and Training Authorities (SETAs). Thus, the project has the twin goals of building the capacity of the state to undertake and entrench labour market analysis and also contributing to the pool of South African graduates and experts who are conversant in and capable of undertaking labour market research.

This is by no means a small feat and it will require the support and cooperation of the DHET as well as that of the range of government Departments who are similarly implicated in the achievement of Outcome 5. This is itself a new kind of government intelligence and efficiency that finds practical expression through this project. Daunting as it is, we must not lose sight of its necessity as South Africa completes a second decade of democratic developmental rule.

I personally find this project exciting not just in terms of the knowledge that it will be producing but also in terms of how it will assist in the ongoing project of reconfiguring the state to become better at making decisions that will ultimately lead to improved livelihoods for the vast majority of South Africans. This project is at the heart of efforts to develop informed and practical mechanisms by which the state can ensure an economic growth trajectory that fosters enhanced human development.

Finally, I must thank the HSRC for taking up the challenge of such an ambitious project, which of course implicates it in the success or failure of my Department in achieving the objectives of one of the components of Outcome 5. Indeed I would like to also personally thank Dr Olive Shisana for taking direct interest in this project as the CEO of the HSRC. This bodes very well for the success of the project.

We are indeed lucky in South Africa to have an organisation like the HSRC with its wealth of experience and its highly skilled research teams. We are equally fortunate to have many highly skilled researchers in academia and the NGOs. In the past few months, I have had occasion to meet with higher education Ministers and others in various developing countries; this is the kind of capacity that many of them would dearly like to have. Let's not waste it. I am confident that all of you in the research teams will produce the kind of work necessary to make a difference to our post school education and training system and to our country. Let's ensure that the work done is of the highest quality. I am committing the officials of the DHET to provide all the necessary support to Dr Reddy and her research team. Thank you also to the HSRC for organising this launch event, which is ultimately an invitation to all South Africans to keep watch over the implementation of this project and the achievement of its stated outcomes.

Thank you