



LABOUR MARKET
INTELLIGENCE PARTNERSHIP

Skills Planning for Post School Education and Training

Vijay Reddy & LMIP Team

**Human Sciences Research Council/ Labour Market Intelligence
Partnership**

Lessons for Skills Planning: A Dialogue

14 November 2017

The story begins in 2009...



Government Outcome 5.

A skilled and capable workforce to support an inclusive growth.

Government Outcome 5.1.

Establish a credible institutional mechanism for skills planning.

Why skills planning?

Government must anticipate the types of education and skills required to support societal and economic development.

What is the institutional mechanism for skills planning ?

Skills planning involves a number of stakeholders: government departments and agencies, social partners, firms, research agencies etc.

Co-ordination, coherence, integration & formal institutional arrangements are needed amongst stakeholders for data, information, analysis and effective decision-making about the quantity and type of skills needed.

Skills encompasses Education, training and SD

Research-Policy Nexus

DHET-HSRC led research consortium



This strategic applied research involved a close relationship between policy makers and research in shaping the skills planning research agenda.

DHET: DG Qonde, DDG Patel and Sishi, Dr Narsee plus DHET team

Research: Drs Reddy, Kruss & Wildschut (HSRC), Prof Bhorat (UCT), Dr Rogan (Rhodes) plus teams of researchers.



The objective of Labour Market Intelligence Partnership Project is to provide knowledge, information and strategic intelligence on how the Education & Training system responds to the skill needs of the **labour market and society** i.e. to build the skills planning mechanism.

LMIP Research

DATA, INFORMATION AND INTELLIGENCE

T1: Foundation for labour market information systems.

- Skills planning: Approach, framework, structure
- Data and data architecture for SPIS/ LMIS
- Skills Supply, Demand and Mismatches
- Occupations in High Demand
- Web based repository of skills literature.

T2: Skills forecasting: Supply and Demand. The Linked Macro-Education Model for South Africa.

- Wits-EPU: A Linked Macro-Education Model for South Africa to predict demand.

T5: Multi-cohort tracer studies to provide nuanced information and intelligence for skills planning.

Access, progression, graduation and labour market destinations along education, training and labour market trajectories.

- Using existing dataset (EMIS, HETMIS, NIDS, SETA Administrative data)
- Generating new student tracer datasets: TVET, University, Adult Education, secondary school.

T3: Firm level survey.

RESEARCH AND STRATEGIC INTELLIGENCE

T3: Studies of selected priority sectors: nexus between economic growth and the role of skills.

- Skills-biased employment demand: attainment & institutions predicting labour market outcomes
- Growth, employment and skills: NGP revisited
- Firm level data generated through SETA labour market survey (data)
- Employment creation in the informal sector.

T4: Alignment between the PSET sector and the labour market.

- Labour market interactive capabilities, structures and mechanisms in PSET institutional settings.
- Institutional responsiveness and student employability in vocational education and training curriculum.

T6: Changing occupational milieus and identities: Focus on artisanal work and training.

- History of artisanal skilling and employment
- Shifting boundaries between artisanal work to other occupational groups
- Work and Qualification futures for Artisans and Technicians.

LMIP WEBSITE: www.lmip.org.za

Webpage Screenshot



News, events and resources @LMIP

Research Bulletin January 2014
Date: January 2014

LMIP-HSRC Seminar: Informativity in the South African labour market in context: indicators of the limits to evidence - based research
Event date: Monday, 31 March 2014 - 12:30pm to 1:30pm

Policy Round Table II: The Emerging Contours of a Credible Institutional Skills Planning Mechanism for South Africa: Towards a Common Perspective
Event date: Wednesday, 19 March 2014 - 8:30am to 3:30pm

Documents in the LMIP repository

Labour Market Intelligence Systems and Mechanisms
Author(s): Dr Thabo Mabogoane
Publication year: 2014

Skills Planning for SIPs: Methodology used & reflections on possible implications and issues for credible institutional mechanisms for skills planning
Author(s): Adrienne Bird
Publication year: 2014

What is (and is not) a Skills Planning Mechanism for South Africa?
Author(s): Hoosen Rasool
Publication year: 2014

Welcome

"The LMIP is a unique undertaking designed to inform and support evidence-based skills development policy in South Africa. To build a credible institutional mechanism is a major national undertaking. The DHET has entered into partnership with a national research consortium led by the Human Sciences Research Council (HSRC) as one means to support its strategic work to achieve Outcome 5.1. In February 2012, a three year Memorandum of Agreement was signed. Core members of the consortium are the HSRC, the Development Policy Research Unit at the University of Cape Town, and the University of Witwatersrand. Other partners include public and private research institutes, universities and independent consultants."



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DEVELOPMENT POLICY
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HSRC
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Research Council

in South Africa: a description of the demographics and performance of NSFAS beneficiaries

2016 The Returns to Training and the Determinants of Training Expenditure: The Case of

Research Reports

2016 The Role of Skills and Education in Predicting Micro-enterprise Performance

2016 SETA Labour Market Survey: Case studies of Firms' Experiences

2016 Temporary Employment Services in SA: Assessing the Industry's Economic Contribution

2014 Growth, Employment and Skills: The New Growth Path Revisited

2014 Higher Education, Employment and Economic Growth: Exploring the interactions

2013 Occupational Shifts and Shortages: Skills Challenges Facing the South African Economy

Theme 4: Reconfiguring the post-school sector

2017 Synthetic Analysis on the Skills Development and Economic Responsiveness Role of Education and Training Institutions in South Africa: Towards an Integrated Public-Private Partnership Strategy for Skills Development in the TVET College System

2017 Local Economic Responsiveness and TVET Colleges: A Guide to Mapping TVET Partnerships and Linkages

2017 Manual for Managing Curriculum Responsiveness in TVET Colleges

2016 Employability and Curriculum Responsiveness in Post-School Education and training

2016 Mapping key role players and SETA partnerships: A design and methodology to guide research on skills development systems

2015 Understanding Interactive Capabilities for Skills Development in Sectoral Systems of Innovation: A case study of the Tier 1 automotive component sector in the Eastern Cape

2015 Understanding Interactive Capabilities for Skills Development in Sectoral Systems of Innovation: A case study of the sugarcane growing and milling sector in KwaZulu-Natal

2015 Understanding Interactive Capabilities for Skills Development in Sectoral Systems of Innovation: A case study of astronomy and the Square Kilometre Array telescope

2014 Responding to Shifting Demand for Skills: How do we get firms and post-school education and training organisations to work together?

Theme 5: Pathways through education and training and into the workplace

2018 Book: Post-Schooling Educational Trajectories and the Labour Market in South Africa (coming soon)

2017 Assessing the usability of the Western Cape Graduate Destination Survey for the analysis of labour market outcomes (coming soon)

LMIP to date...

- 35 Concept notes
- 49 Research Reports & Learning Guides
- 11 Journal Articles; 1 Book
- 13 High Level Policy engagements
- 21 Research Policy Briefs
- 9 Research Roundtables
- 5 Learning sessions
- 19 HSRC-LMIP Seminar series presentations
- 22 Bursaries Honours and Masters bursaries in Labour Market studies/Skills Development. 19 completed.
- Repository of literature on Skills Development

Skills Planning Mechanism: Recommendations

1. Government must invest in a credible planning mechanism

This will allow government to make more informed decisions on:

- i. where and how to invest its E&T resources to support the economy and society,
- ii. enrolment planning,
- iii. new programmes and infrastructure investment needed to make this possible
- iv. how to allocate work visas and
- v. career guidance programmes.

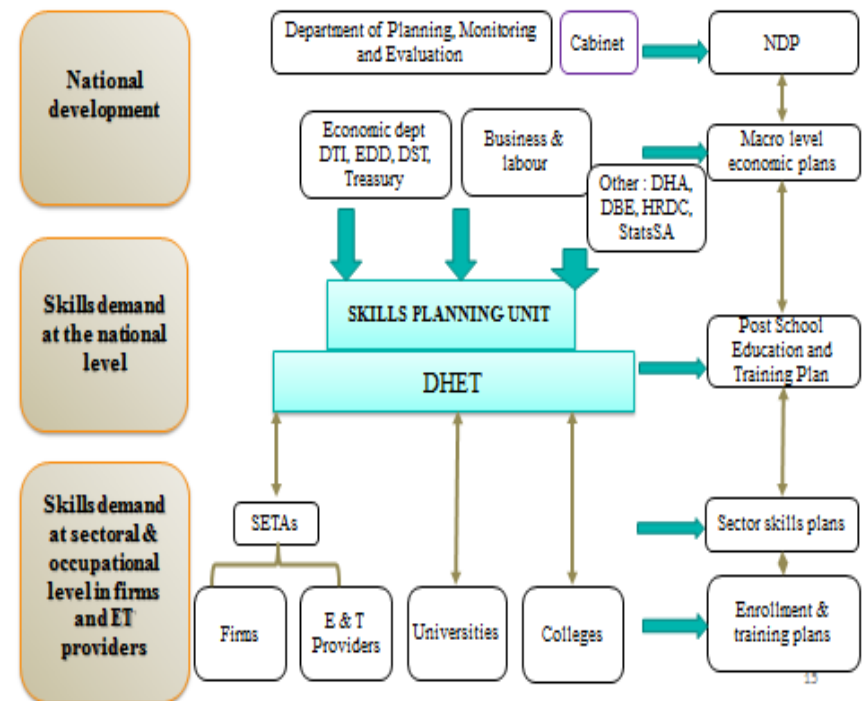
2. DHET to establish a planning unit



- The unit must be located somewhere with critical authority and have the resources to drive the co-ordination and co-operation among the government departments.
- The SPU should be located in DHET and work with other government departments and stakeholders to plan the skills needs for the country.
- The unit, must be given adequate budgets and staff with labour market economics and planning skills to drive the skills planning process.

3. Planning mechanism requires a 'joined up' approach

- The skills planning mechanism requires coherence and alignment between national development and what happens in the E & T institutions and firms.
- Establish the skills planning co-ordinating committee with relevant stakeholders (HRDC?)



4. Skills planning approach for South Africa

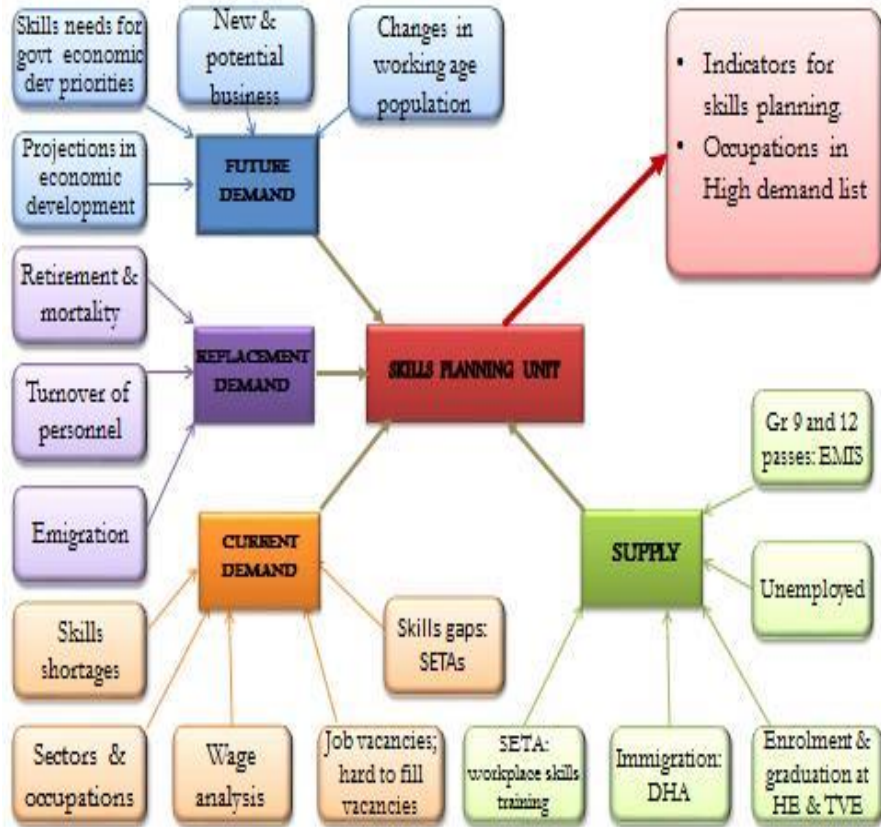
Country examples

- Market based approach (UK, US, Canada): Identify skills blockages in the labour market and respond.
- Social Partner based approaches (Sweden, Netherlands).
Government and social partners use information to respond to vacancies.
- State Intervention Approach (Singapore, Korea): Government with partners align skills policies to industrial policy

Inclusive skills planning approach for South Africa

- Use *supply*, *demand* and *workplace* information.
- Skills policy must respond to the needs of the *economy* and the vulnerable & unemployed in *society*.
- Government, with partners, uses LM Intelligence for *alignment between government growth initiatives & industrial strategies, societal needs and the skills strategy*.

5. Data and information for planning



1. Supply side administrative data (DHET & SETAs)

2. We reviewed administrative data from other government departments:

- ✓ Some relevant and immediately usable (QLF, QES, GHS)
- ✓ Highly relevant and requiring some work (UIF)
- ✓ With relevant variables but undergoing cleaning (DHA population register, migration)
- ✓ At early stage of development (farmer database at DAFF).

3. Close relationship with StatsSA.

4. DHET to set up MoUs with other departments for data

6. New data and information for planning

5. Enterprise/ Firms Surveys: Firm level data is necessary for skills planning. The pilot survey with MerSETA and its firms provides an exemplar of process and instrument.

Legislate SETAs to run the surveys with firms in their domain annually or bi-annually.

Survey must collect skills and training information from employees and firms to provide insights on the extent, nature and impact of training at firms and individual level.

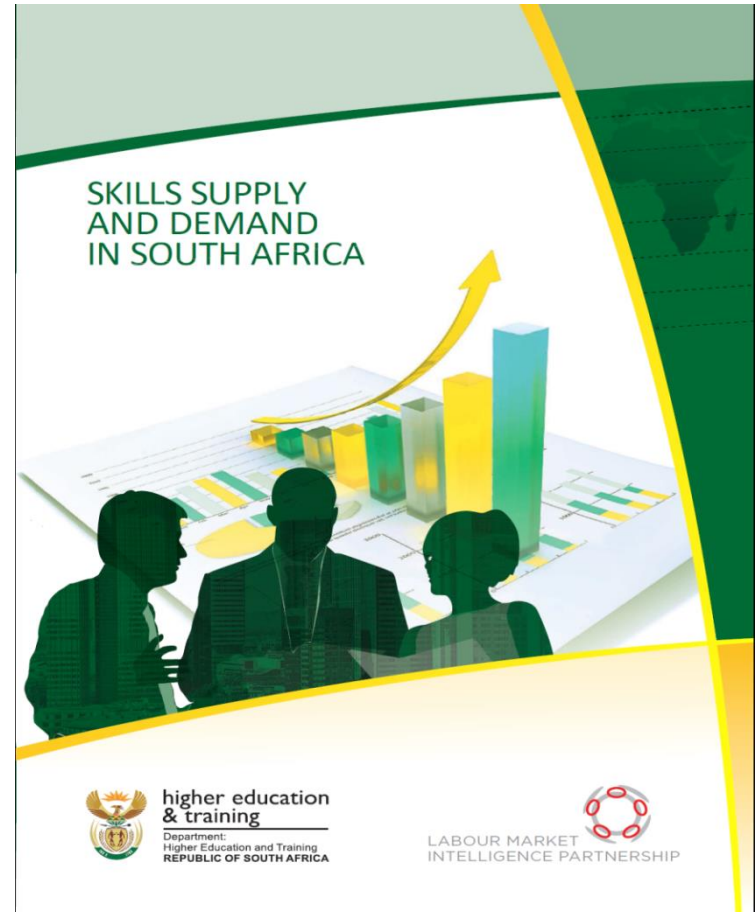
This will provide a disaggregated picture of training intensity, relationship between training and employee wages.

5. Student tracer studies and labour market outcomes.

6. Skills Reports to inform Planning

1. Skills Supply and Demand in South Africa. provides a holistic, nuanced understanding of the current supply and demand for skills and how the two interact to inform inclusive skills policy.

2. Occupations in High Demand are those that show strong employment growth or experiencing shortages generated through both statistical and qualitative analysis.

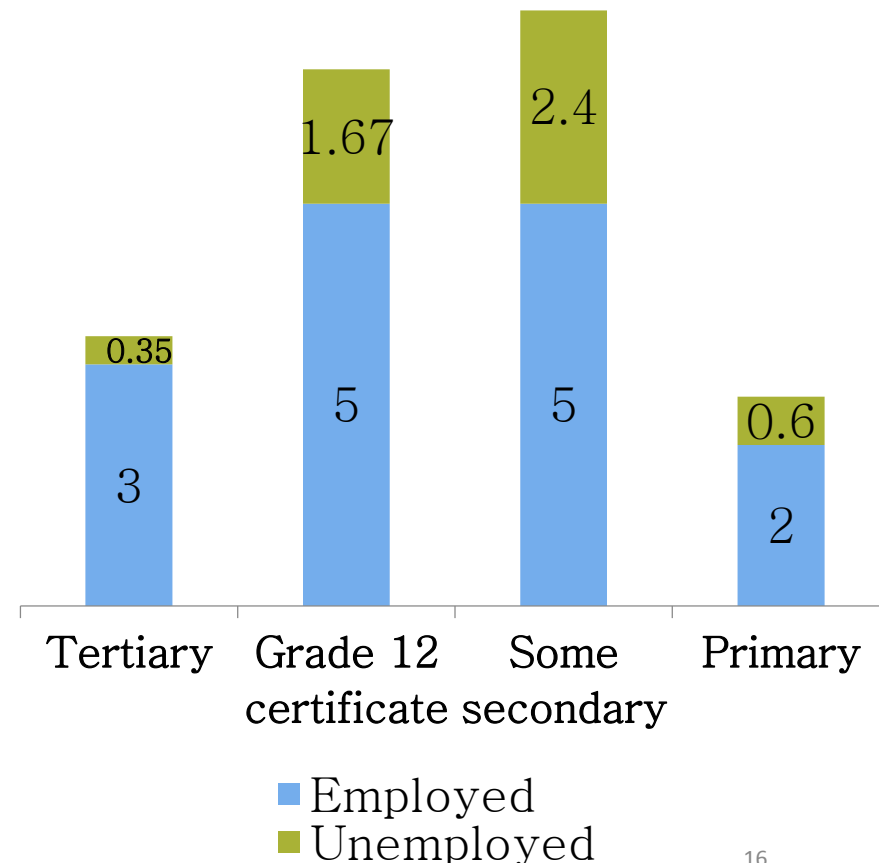


6.1. The Labour Force, Society and Skills, 2014

The Labour Force

- 15 million employed people.
- High levels of unemployment (8mill), especially for youth (5 mill).
- 3.3. million workers in vulnerable sectors.

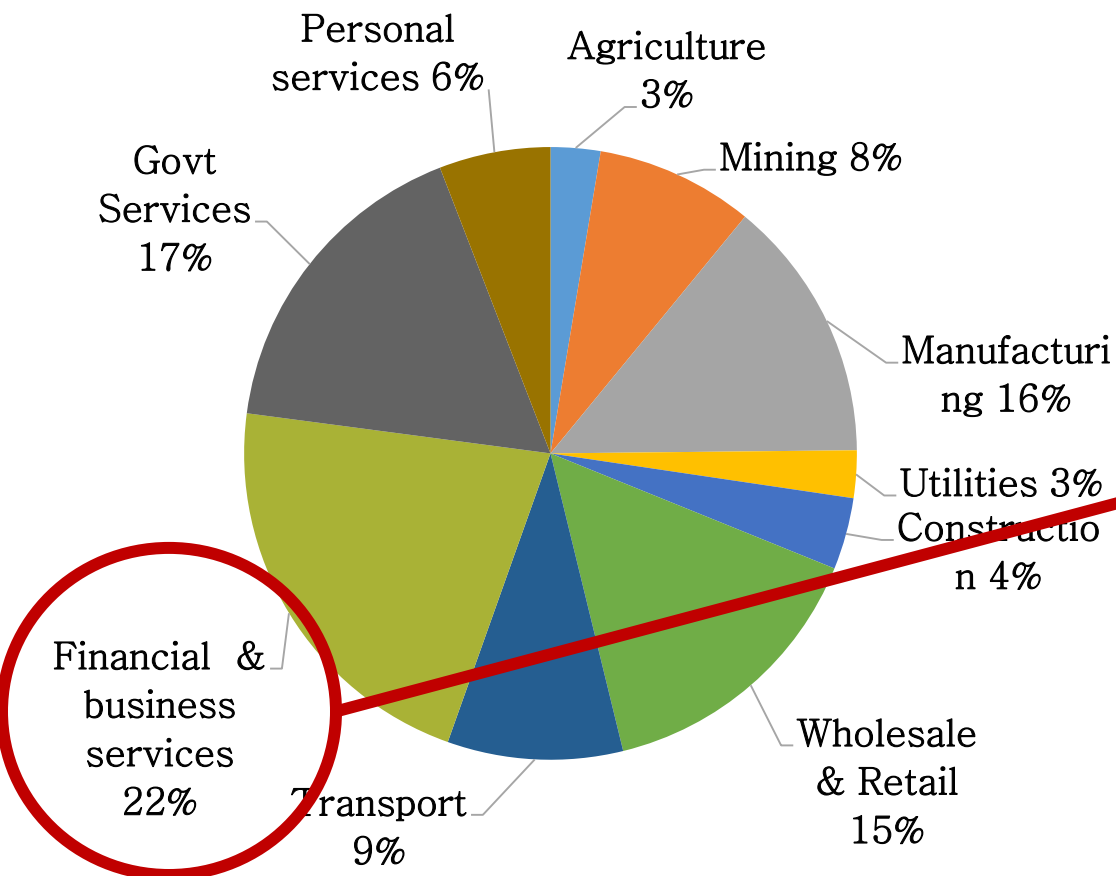
Skills Levels of the Labour Force (million)



6.2. The South African Economy & Skills

- Low economic growth rates, leading to poor employment growth. **Employment growth is not sufficient** for the large numbers of youth coming to the labour market for the first time.
- Sectors where people work and the types of **jobs are changing**: absence of low-wage jobs in the manufacturing sector, structural shift towards a service economy and dependence on high-skilled financial services.
- There is a **structural mismatch** between labour demand and supply. The economy and labour market shows a demand for high skilled workers, but there is a surplus of low-skilled workers.

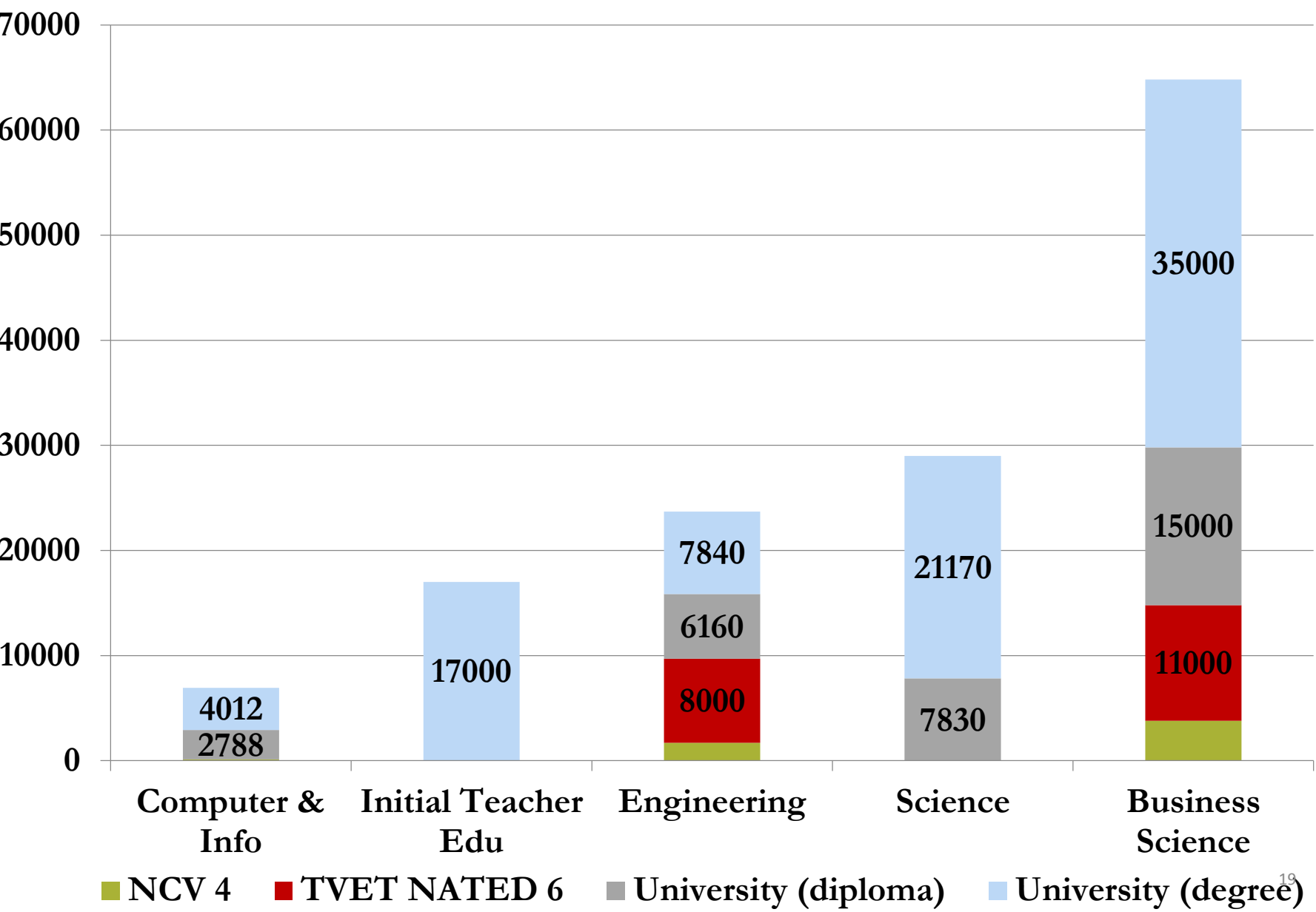
6.3. Sectoral Contribution to GDP, 2014



Employment by sector

Sector	%
Wholesale and Retail	22
Govt. Services	21
Manufacturing	13
Financial	13
Private Households	9
Construction	8
Transport	6
Agriculture	5
Mining & Quarrying	2
Utilities	1

6.4. Skills for Economy: Universities & TVET, 2014



7. Nexus between economic growth and skills



Skills planning goes beyond the use of the traditional supply and demand data. A number of studies explored the use of existing data to explore the dynamics and complexities of economic growth and skills:

- Use of the Graduate Destination Survey for a better understanding of varied pathways into work for the graduates from universities.
- Use of National Income Dynamics Study to estimate the association between the type of education institution attended, the probability of employment and earning of graduates.
- Use of NSFAS administrative data to analyse the demographics and performance of NSFAS beneficiaries.
- Interrogating the New Growth Path (NGP) job targets against labour market trends.

Concluding comments....



- Skills planning is not a linear, simple process but flexible, dynamic, intricate and complex process that requires careful interpretation of statistical models with strategic intelligence.

- This phase of LMIP provides the start of understanding the complex process.

We have assessed what we do have, what we need to extend and modify and the new aspects to be included.

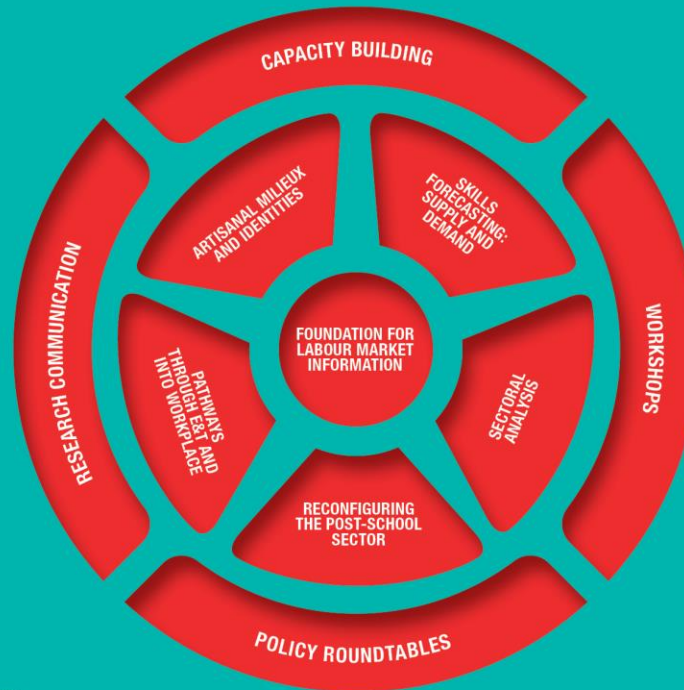
- There is much in place. The next phase it is about enhancing the coherence and alignments and setting the structures and agreements in place.

The report should be seen in the context of the LMIP, which demonstrates a comprehensive and dedicated approach for skills planning and is building on earlier efforts and activities. This approach is likely to result in valuable information as well as lessons that are relevant to many countries facing similar challenges as South Africa (including many emerging economies).

Dr Theo Sparreboom (International Labour Organisation)

The content, structure, logic, narrative, style and level of analyses is good – useful assessment baseline of South African skills and this will need developing further in future years.

Prof Mike Campbell, UK Commission for Employment and Skills



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