



THE EUROPEAN UNION'S DEVELOPMENT COOPERATION INSTRUMENT (DCI) PROGRAMME FOR SOUTH AFRICA

REPORT OF THE FIRST STUDY TOUR MISSION TO EUROPE ON SKILLS PLANNING

July 2017



**higher education
& training**

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA



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ABBREVIATIONS AND ACRONYMS

DG	Directorate General
EC	European Commission
EGFSN	Expert Group on Future Skills Needs
ERASMUS	European Community Action Scheme for the Mobility of University Students
ETF	European Training Foundation
EU	European Union
EU-SA	European Union – South Africa
G20	The Group of Twenty
MAC	Migration Advisory Committee
NIACE	National Institute for Adult and Continuing Education
OECD	Organisation for Economic Co-operation and Development
SA	South Africa
SETA	Sector Education and Training Authority
SOLAS	Further Education and Training Authority
STEM	Science, Technology, Engineering and Mathematics
UK	United Kingdom
UKCES	UK Commission for Employment and Skills, London
VET	Vocational Education and Training

1 INTRODUCTION

The Department of Higher Education and Training is charged with the development of a 'credible mechanism for skills planning' in South Africa. The European Delegation in South Africa provides strategic support to the Department through the EU-SA Skills Planning Dialogue, funded via the Dialogue Facility.

The Skills Planning Dialogue provides support for high-level policy engagement and policy learning between South Africa and EU partner countries and agencies, through research, dialogue, and the undertaking of two international study tour missions.

This document reports on the first study tour mission, undertaken by the Department over the period 19 – 25 July 2015. The mission was led by the Director General, Mr Gwebinkundla Qonde, and included visits to national and international agencies and organisations in the United Kingdom, Ireland, Belgium, France, and Italy.

2 MEMBERS OF THE DELEGATION

The ten-person delegation was made up as follows:

- Mr Gwebinkundla Qonde, Director General
- Mr Feizal Toefy, Chief Director: Performance, Monitoring and Evaluation
- Dr Engela Van Staden, Chief Director: Academic Planning and Management Support
- Ms Gerda Magnus, Chief Director: Programme and Curriculum Innovation
- Mr Maliviwe Lumka, Chief Director, SETA Coordination
- Ms Mamphoku Khuluvhe, Director: Planning, Monitoring and Evaluation Coordination
- Dr Hersheela Narsee, Director: Research Coordination, Monitoring and Evaluation
- Dr Vijay Reddy, Executive Director, Human Sciences Research Council
- Professor Mike Campbell, Senior Research Adviser, EU-SA Skills Planning Dialogue
- Mr Glen Fisher, Research Manager, EU-SA Skills Planning Dialogue

3 ORGANISATIONS VISITED

The following organisations were visited in the course of the mission:

- UK Commission for Employment and Skills (UKCES), London
- National Institute for Adult and Continuing Education (NIACE), London
- Migration Advisory Committee (MAC), London
- Expert Group on Future Skills Needs (EGFSN), Dublin
- SOLAS, Dublin
- European Commission DGs Education and Employment and VET
- OECD, Paris
- European Training Foundation (ETF), Turin

Annex A includes the full set of Briefing Notes provided to delegates in advance of the Mission; **Annex B** includes the decision matrix used to inform the selection of countries and organisations to be visited, and **Annex C** presents the results of a brief evaluation of the mission by study tour delegates.

Documents and presentations from the study tour visits can be found in the **shared DropBox folder**, at <https://www.dropbox.com/home/EU-SA%20Study%20Tour%20Missions>

4 HEADLINE FINDINGS

The primary objective of the study tour mission was to enable the Department of Higher Education and Training to better understand, through engagement with European counterparts and experts, what makes for a successful skills planning mechanism and the better balancing of skills supply and demand.

Discussions with the organisations listed were all extremely informative and useful; significantly, there was a high degree of consistency and consensus across persons and organisations as to the nature, scope, possibilities for and limitations of labour market analysis and skills planning.

Perhaps the most important, high-level ‘take-away’ from the mission was the view expressed, by all of the individuals and organisations visited, that the complex nature of modern societies and economies, and the pace and disruptive nature of technological and other changes requires **constant review, adaptation, and learning** on the part of planners and policy makers.

Along with data collection and analysis, the **dissemination of information**, and **consultation and engagement with stakeholders**, are important ways of influencing others and essential elements of the planners’ repertoire.

The need for data collection and analysis to be **policy driven** was consistently emphasised; the European Training Foundation put it perhaps mostly strongly:

...[we are] not in favour of any forecasting exercise or planning to match demand and supply that is not grounded in a robust human resource development strategy for the country – otherwise it is just a patchwork of approaches. You have to start with a clear sense of what kinds of human capital you want in a country, for what. There needs to be a clear long term agenda – and this must be very participatory – this is essential. There has to be a shared vision. And this needs to reflect the total picture – for example, if schooling doesn't provide the foundational skills, then training is not training for the labour market, it is remedial education. Likewise, it is wonderful to be responsive where there is a demand – but what do you do when there is no demand, if there are no jobs available?

Approaches to data collection and analysis were sophisticated but *practical*: as the Strategic Policy Division of the Department of Jobs, Enterprise and Innovation in Dublin put it, ‘it’s not about producing technically superior reports, **it’s about impact.**’

Moreover, given the complexity and change noted above, no single methodology or source of data was seen as sufficient; rather, **a mix of approaches, combining both qualitative and quantitative methodologies as well as extensive engagement with stakeholders, was regarded as essential.** Thus SOLAS, in Ireland, observed that

...the quantitative information is important, but to put the meat on the bones, we need qualitative information.

The Migration Advisory Committee in the UK, similarly, emphasised the need for **interaction between ‘top down’ (i.e. statistical) and ‘bottom up’ (stakeholder engagement) approaches.**

And a government representative in Dublin observed,

This work cannot be done with macro-economic models. You have to get down a couple of levels, you have to get out and talk to people.

Engagement, it was repeatedly pointed out, means more than the occasional meeting or forum, it means 'getting out and talking to people, visiting workplaces' on a regular basis, and it means **regular dissemination of information, using formats and media that are useful and relevant for a wide range of stakeholders.**

While all countries, according to the OECD, undertake some kind of anticipation and assessment exercise, the aim is not to so much to provide precise numbers or estimates as it is to **obtain insight into current and future demand, using multiple sources and tools and a range of metrics;** analysis

... is not used to indicate how many engineers we need, but to underpin a discussion that says, 'it looks like we need to produce more engineers – how do we do this?'

...The one thing you can be sure about with future skills projections is that you will be wrong. It is important therefore to build in automatic adjustment systems that encourage alignment...and help the system to adjust in real time.

As the EGFSN in Ireland pointed out,

...the further out you look, the more the cone of uncertainty widens.

With this in mind, the notions of '*foresight*' and 'scenarios' were favoured over 'forecast' and 'projections.'

Dialogue, consultation, and stakeholder engagement were seen by everyone as critically important, as are **business participation and leadership**. *Barriers* to the use of data for policy and planning, on the other hand, include reports that are too technical, data and analysis that is not shared with stakeholders, a lack of stakeholder consultation, and stakeholders not agreeing with the data and/or analysis.

Engaging & managing stakeholders, and securing stakeholder buy-in and support, was seen therefore as vital – especially when the aim is not data for data's sake, but practical implementation and impact. The importance of high level **political leadership** was emphasised for much the same reasons.

If dialogue and engagement are essential to ensuring legitimacy and acceptance of data and analysis, **dissemination of information is important in generating transparency and enabling employers, education and training providers, government departments and agencies, and individuals to make informed decisions.**

Findings and metrics from multiple sources of information and intelligence are important, but it is important also to go beyond this, and **move from intelligence to outcomes**. Data and analysis are of

limited value unless clearly linked to implementation and impact. The study tour mission revealed a range of tools and methodologies that are available to planners and policy makers to better align supply and demand by increasing responsiveness, and improving matching and the relevance of skills supply to the labour market.

Governance, as a framework for shared responsibility and accountability, and for partnerships and collaboration, was seen as critical, and the **institutional arrangements** supporting the labour market intelligence and the planning and 'influencing' mechanisms, while differing from country to country, are also important.

The lenses through which countries and organisations consider labour market and skills issues are multiple rather than singular. In Ireland, for instance, the EGFSN uses both **sectoral and occupational analytical frameworks**, and will even consider particular subjects such as Mathematics, 'that are important to business.'

IT people don't work only in the IT sector; cooks and chefs work in schools, factories, hospitals as well as in the hospitality industry, so you need to think in terms of an occupational/sector matrix.

In addition to professional, technical and other skills, the OECD drew attention to the importance of what it called '**no regrets policies**,' noting that,

...regardless of their technical or professional skills, [workers'] foundational skills are fundamental to their labour market success. This includes their non-cognitive skills, including teamwork, communication etcetera.

Job specific and foundational and transferable skills, in short, are vital, providing people with the adaptability they need as jobs and the economy change.

The notions of complexity, interdependence and ongoing, rapid change – the notion of a dynamic and constantly evolving 'skills ecology' – came through strongly in almost all of the discussions, as did **the need for systems thinking**. Joined up thinking, and joined up government involving close cooperation and collaboration across departments is seen as vital. Governance and institutional arrangements, as well as partnerships and collaboration between employers and government, should foster a sense of **common purpose and collective effort**.

A good example of this was Ireland (albeit a small and relatively homogenous country) where the collegiality that develops through collaboration between government departments was seen as key to being able to solve problems and move forward together. Relationships, in this case, were seen to be as important as technical or analytical skills, or labour market intelligence, precisely because the end-goal was not the production of 'technically superior reports' but, as noted earlier, **implementation and impact**.

The **variety of institutional arrangements** encountered reflected, in many respects, the varied histories and contexts of the countries and institutions visited. Common to all however is the underlying question of the skills ecology, and the kinds of **institutional, governance and partnership arrangements that are best suited, in a particular context, to ensuring legitimacy and transparency, promoting partnerships and collaboration, and shaping the behaviours and**

actions of key actors – providers, government, and employers, in particular – towards a set of shared and commonly-held objectives.

How this can best be addressed in the South African context, through a planning mechanism which is located within or outside of government, with what mix of expert and stakeholder representation, will be key questions for the Department to consider: how they are answered will strongly influence the chances for success.

In conclusion, it is worth restating the enormous value that was obtained through face to face dialogue and interaction between the South African delegation and international colleagues and peers.

As South Africa moves forward with the design and implementation of the skills planning mechanism, a continued dialogue and engagement with European partners could be of considerable assistance in forging expert and professional networks, promoting mutual learning and knowledge-sharing, and building local capacity and capability, while helping at the same time to keep South Africa at the leading edge of developments in this complex terrain.

5 SUMMARY NOTES ON MEETINGS¹

5.1 Monday, 20 July: London

UK Commission for Employment and Skills (UKCES)

The delegation met with the following:

- Katherine Chapman, Assistant Director
- Alex Thornton, Senior Research Manager, UKCES Surveys
- Aoife Ni Luanaigh, Senior Research Manager, Research and Standards

The UK Commission for Employment and Skills is a “social partnership”. Its 26 Commissioners include business and union leaders, and leaders from the college and higher education sectors. Commissioners play an active role, leading different streams of work and guiding the Commission’s strategy.

The Commission’s work is informed by close engagement with industry and a social partnership approach. The Growth through People strategy released in November 2014 was co-signed by the heads of both the Chamber of Business and the Trade Union Congress, following extensive consultations.

Business leadership, and responsiveness to the needs of business, are central to the Commission’s approach. Thus, a major focus of the current strategy is driving up productivity; the drive with regard to standards and qualifications is to make them more employer-led, and simpler.

¹ The Summary Notes identify the main issues raised, that are of relevance to South Africa, and are not intended as a complete record of the discussions and presentations.

The recently elected Conservative government has set a goal of 3 million apprentices over the next 5 years; government is also moving away from grant funding of sector skills councils to a more competitive, market-oriented approach.

Analysis of the labour market, it was pointed out, goes way beyond a 'numbers game - it is about understanding what's going on in the labor market and how to intervene to address this.'

The Commission attaches a great deal of importance to communication and the dissemination of information: "insight" guides and tools are produced to help get information out to potential users; complex and sophisticated analyses of changes in the labor market are distilled into clear, simple statements from which policy implications can easily be considered. LMI for All is a data portal which is available for anyone to use.

There are three major research products:

- Employer Perspectives Survey
- Employer Skills Survey – apparently the largest survey of its kind in the world
- Labour Market Projections

The employer skills survey, it was noted, is an establishment, not an enterprise survey. This enables data to be disaggregated geographically and allows telephonic interviews to be kept to about 20 minutes on average. The survey includes a focus on skills shortages, skills gaps, and underutilization of skills.

The Commission has produced 12 sector assessments as well as 9 sector insight reports – it does not try to cover all sectors. These reports help to inform thinking about industrial policy and are useful also for colleges and employers as well as learners.

The Commission does not directly propose or comment on policy, but it does formulate comment and advice based on its research. This will be sent to relevant government departments and sector bodies, and in some cases to employers (the Commission's presentation included a useful outline of the use of research findings).

Government policy frameworks, for example the Growth Through People policy, are closely informed by the data and analysis produced by the Commission, and bodies such as the Association of Colleges also make extensive use of this information.

National Institute for Adult and Continuing Education (NIACE)

The delegation met at the UKCES premises with Mr Tom Stannard, Deputy Chief Executive of NIACE, and Mr Robert Gray, Head, Pre-Employment Skills.

Registered as a charity, NIACE describes itself as a 'research and development body and think tank.' The key issues on which it campaigns were outlined; these include a focus on access for disadvantaged and needy groups including the youth and older individuals.

Issues raised by the discussion included finding the right balance between social inclusion and increasing productivity, the balance of academic and vocational education, and addressing the needs of the pre-employed versus those who are already in work.

5.2 Tuesday, 21 July: London

Migration Advisory Committee

The delegation met with Sir David Metcalf, Chair of the MAC, and Tim Harrison, head of the MAC Secretariat.

In his opening remarks, Sir David noted that the MAC 'is very determinedly economics based' – but 'our homework' is set by the government. Government was not obliged to take the MAC's advice, but it invariably did so. The MAC's work and government policies on migration had to be understood within an EU context: there was a presumption, given the freedom of movement within the EU, that the EU would provide the unskilled labor that the UK needed; the focus on immigration for work purposes, from outside the EU, was therefore on *skilled jobs* and *skilled labour*. A representative from UKCES sits on the MAC, ensuring a link between the two bodies.

The MAC uses a combination of 'top-down' and 'bottom-up' approaches, both being important. The top-down approach is statistical, looking at occupations, down to the 4th digit. The current list defines 96 occupations as skilled, on the basis of qualifications and pay.

Having defined occupations as skilled, the MAC checks to see if there is a shortage, using 12 key indicators, in particular changes in earnings and vacancies. The top-down, statistical evidence allows the MAC to decide whether or not to place the occupation on the list of skills that are in shortage, but the bottom-up evidence is used to point to a much more specific set of shortages – for example, 'contaminated land engineers', not just 'engineers'. This bottom-up approach relies on a good deal of personal interaction and engagement; David himself gets out and about a good deal, visiting workplaces and engaging with employers:

The point is to get out and about, not just do this from the office.

Three broad sets of criteria are used to determine whether or not an occupation belongs on the list of skills in shortage; these are the three "S's" – i.e., are the occupations *skilled*, is there a *shortage*, and is it *sensible*, to bring in migrants from outside the EU.

It's very important to understand that we're not doing manpower planning – we don't go into a numbers game like that.

Skills in shortage are not ranked or prioritized; if they are deemed to be in short supply they are put on the list and that is all there is to it. It was noted however that the underlying data *would* allow these shortages to be ranked or prioritized if this was deemed necessary. The list is reviewed about every two years.

Information on skills shortages is made available to the Department of Business Innovation and Skills and to UKCES, and MAC expects that this information would be followed up on in terms of education

and training provision. The record on this was mixed however; in David's view, it had worked well in health but less so in engineering.

There were certainly examples where employers had approached the MAC asking for certain skills to be put on the list; in such cases the Mac would visit these companies and discuss the issue with them. Companies had to provide evidence to justify their arguments, however, and these were scrutinised rigorously – David gave examples where companies might be told that they needed to pay more or improve their conditions of employment or do more training, rather than seeking permission to import skilled workers.

Although its methodology and approach to the identification of skills shortages is highly relevant to South Africa, the MAC is not involved in skills planning and in general does not do much forward-looking analysis, except where a particular issue is identified, such as the challenges that Britain currently faces in decommissioning old nuclear plants or building new ones.

One thing that David had not foreseen was how difficult it was to put whole occupations on the list – 'you tend to come down to the specific job titles' he noted. However, this did not mean going beyond 4 digits in terms of statistical analysis – 'that would be crazy' – but relied for the more fine-grained details on extensive stakeholder interaction:

Level 6 data is just noise. We wouldn't attempt to get the data at six digits statistically – the data often isn't there even at four digits. That's why the bottom-up side of this is so important.

5.3 Wednesday 22 July: Dublin

Expert Group on Future Skills Needs (EGFSN)

The meeting with the EGFSN included Gerard Walker, Assistant Principal Officer: Education and Skills Policy in the Department of Jobs, Enterprise and Innovation, Declan Hughes, Assistant Secretary General in the Department, and Tim Conlan of the Higher Education Authority.

The EGFSN and its work with other governments departments and agencies and with employers and stakeholders offered a compelling example of joined-up strategic thinking and practice with respect to labour market intelligence and skills forecasting. There is clear relevance to South Africa's needs and aspirations; in evaluating this, however, the differences in context – in particular, the small size and homogeneity of Ireland – should be kept in mind.

A further aspect of the context, which the EGFSN highlighted, is the significant impact of the 2008 recession – the country is only now beginning to turn the corner, and the recession and its consequences have had significant impacts on employment and the demand for skills. In addition to addressing the skills needs of the economy, for example, the EGFSN had found it necessary to engage with SOLAS and the Higher Education Authority regarding programs to help the unemployed.

The EGFSN includes broad-based representation by business, government, the Higher Education Authority and SOLAS. Research and policy support is provided by the Strategic Policy Division of the

Department of Jobs, Enterprise and Innovation, and a key function of the Expert Group is ‘to inform on the implications of their analyses for education and training providers.’

The work of the Expert Group also informs the employment permit system for non-EU workers seeking employment in Ireland; this is reviewed on a quarterly basis.²

Labour market intelligence draws on both sectoral and occupational perspectives and may even include analyses of needs pertaining to particular subjects that employers regard as important – for example mathematics. Rather than a rigid methodology, it was emphasised that flexible and open ended approaches should be used, aimed at *understanding* what the need is, and how best to *respond* to it.

Sector studies are undertaken every few years, on a rolling basis, so that the resources required are not too onerous.

Considerable emphasis is placed on working across government departments and agencies, as the issues that the country faces are cross-cutting. Indeed, the collegiality that develops through regular interaction between departments was highlighted as a key success factor. The EGFSN itself is not a free-standing agency but works closely with the Strategic Policy Division.

The Higher Education Authority collaborates closely with the Expert Group to identify skills needs, and on the basis of this decides what it will fund. The universities remain autonomous and free to follow their own path, but government will only fund the programs that it believes are relevant. Funding is linked to performance agreements, which are a key driver for the higher education sector.

SOLAS

The delegation met with John McGrath and Nora Condon.

SOLAS maintains a *real-time* data warehouse and is focused on ‘identifying the skills requirements of enterprises in Ireland.’ A team of five or six full-time researchers maintains the database; the unit’s work is highly regarded in Ireland, by the ILO and in the EU.

An overview was provided of the kinds of information that SOLAS collects in order to estimate the demand and supply of skills. Higher education enrollment information is available *by course*. The First Destination Survey follows up on graduates in the labour market nine months after they graduate. There is a similar follow-up on employment outcomes from VET.

In addition to broad labour force statistics from the government statistics agency, SOLAS undertakes a detailed breakdown by occupation. SOLAS has full access to Statistics Ireland data *at the individual record level*, and thus does not need to do long-term surveys as it has real-time, actual data at its disposal. This explains why a staff of only 5 to 6 researchers is needed to undertake the analysis. SOLAS officers are all official Statistics Officers of the Republic and as such are required to sign a confidentiality oath; analyses which might enable individuals to be identified – for example, which get down to a very specific skill in a very specific locality – are not published.

² It should be kept in mind here that Ireland is a small country. The MAC, in the UK, revises its shortages list every two years or so.

Source data includes the quarterly Labor Market Survey and is also drawn from a range of other government departments and agencies, including the Higher Education Authority, which provides enrollment data. SOLAS also undertakes regular surveys of private recruitment firms, to help identify what jobs are in demand and where there are shortages. Importantly, it does not rely on only one source of information to identify skills shortages – a shortage is declared only if it shows up in multiple sources. This use of multiple sources, and triangulation of data, also enables SOLAS to resist lobbying from interest groups seeking to declare a skills shortage in particular areas.

The data and research section in SOLAS feeds information to a Strategic Planning Unit, which engages with the training centres. The training centres are expected to use the data and analysis produced by SOLAS to develop a Business Plan, and it is on the basis of this Business Plan that they are funded – an approach which may be of interest to South Africa.

Also of interest, at a more practical level, may be the Springboard program, which provides funding to allow people to re-skill – for example, an unemployed graduate with a less marketable skill or qualification, may agree to retrain in a skill area which SOLAS has determined is in short supply and where they are likely to find employment. Participants in the Springboard program are able to keep their unemployment benefits *and* have the full costs of their retraining covered.

5.4 Thursday, 23 July

5.4.1 Brussels, morning

European Commission: DG Education

The meeting was attended by representatives of the DG Education and officials from the DG Employment, Social Affairs and Inclusion. Topics included a presentation on the Marie Skłodowska-Curie Actions - a programme focused on doctoral training and mobility of candidates and researchers, in which South Africa is involved, aimed at bringing doctoral researchers closer to industry and the economy – as well as presentations on Higher Education, VET and Sector Skills Alliances, Open Education and Internationalisation

The EU's approach to higher education 'planning' is instructive, showing how *information, influence and advice* can have quite profound impacts on national systems and higher education institutions. The EU recognizes that there are different higher education systems and different labour markets across Europe – it cannot therefore 'plan' for higher education in Europe. However, the EU *can* provide information and advice to governments, and encourage them to reflect on and utilise this as they think appropriate. The EU's ERASMUS project for example has had positive impacts on students' skills and employability.

The EU has agreed a target of 40% of 30 to 34-year-olds having a first degree by 2020: within this broad target, each country (apart from the UK) has set its own target according to its particular circumstances. Countries report to the EU on progress, the EU monitors this and provides guidance

and recommendations as to what needs to be done to achieve the goals. Although presented as advice, this is in effect a strong form of guidance, or even sanction.

U- Multirank provides a multidimensional ranking of universities, designed to get away from the research-university bias of other rankings. It compares institutional performance across 30 indicators, is published every March and is available online. There are 1200 universities participating including nine South African institutions.

The EU was cautious on the subject of skills forecasting, giving examples of universities in Finland and the Netherlands which had chosen to focus very strongly on certain industries, only to see these collapse and their highly skilled graduates become unemployable. Similarly, although there was considerable pressure to increase STEM outputs, the actual needs varied quite significantly by industry and by region, and over time. While there was an undoubted need to promote relevance, it was important not to *over-plan* or *over-forecast*. A focus on transversal skills might in fact be more important.

An EU policy statement on VET will be released next year.

5.4.2 Paris, afternoon

OECD Directorate for Education and Skills

The OECD delegation was led by Mr Simon Field, Senior Analyst, VET; Deborah Roseveare, Head of the Skills Beyond School Division, attended briefly. Other members included Dr Glenda Quintini, Ms Pauline Musset, Analyst, VET; Mr Guillermo Mont, Analyst, Adult Competencies Assessment (PIAAC); and Labour Market Economist Mr Stijn Broecke. The South African delegation was accompanied by Dr Nolitha Vukuza-Linda, Higher Education and Training representative in the South African Embassy.

Presentations by the OECD focused on labour market issues in South Africa and on anticipating skills needs.

In her opening remarks, Deborah Roseveare observed, as noted earlier,

The one thing you can be sure about with future skills projections is that you will be wrong. It is important therefore to build in automatic adjustment systems that encourage alignment...and help the system to adjust in real time.

She drew attention to the importance of what she called “no regrets” policies, observing that quite apart from their technical and professional skills, people needed foundational and transferable skills in order to remain flexible and adaptable in a changing and uncertain labor market.

A presentation by Steijn Broecke provided a challenging snapshot of labour market issues in southern Africa.

A presentation by Guillermo Mont on ‘Getting Skills Right – Assessing and Anticipating Changing Needs,’ highlighted skills shortages and mismatches as a significant policy concern. The presentation noted however that not all forms of mismatch are necessarily negative – people often work in different

roles and capacities from those they had trained for. The question was what kinds of mismatch were problematic? A useful typology of different kinds of skills mismatches was presented.

While 'all' countries undertake some kind of assessment of future skills needs, it was argued, the issue was not to try to determine *how many* engineers, for example, would be needed, but rather to be able to have an informed discussion, underpinned by data and analysis, along the lines of,

...it looks like we're going to need to produce more engineers, and how do we do that?

The key issue, in other words, is not to focus all attention on getting the *numbers* precisely right – an impossible task – but to determine *what to do about the need*.

5.5 Friday, 24 July: Turin

European Training Foundation

The South African delegation was welcomed by Madlen Serban, Director of the ETF. Arjen Vos, Deputy Head of the Operations Department, provided an overview of the ETF's mission and operations, and Cristina Mereuta, Labour Market Specialist, made a useful presentation on 'Working for a better matching between supply and demand: from skills needs identification to efficient matching.'

Funded as an independent and neutral agency of the EU, the ETF works with an extraordinary mix of countries, including countries from the G20, the OECD, and low income countries. In some cases, the ETF *assists* countries, in other cases, countries are *partners*. South Africa is not included in the ETF's mandate, although some kind of cooperation might be possible.

The key message from the ETF, regarding skills planning, was forcefully articulated by Madlen Serban: she was 'not in favour,' she said, of any foresight exercises or strategies to match demand and supply that were not clearly linked to a robust human resources development strategy. The question was not 'skills' but 'skills for what?' Without a clear answer to this 'you just have a patchwork approach.' Developing a long term vision that answered the 'so what' question, moreover, needed to be

...very participatory. This is essential. There has to be a shared vision.

Outlining the role played by the ETF, Arjen Vos made the point that

...there is no best way of doing skills planning. It depends on a country's circumstances and what it needs. There are different systems across Europe and the world that might serve well on one measure, but not so well on another.

A useful outline of the Torino Process was provided; this is a biennial review of developments in VET in ETF border countries. The process and principles on which the Torino Process is based are informative. The review is

- Participatory
- Analytical
- Provides regular data updates
- Is founded on four principles
 - Ownership
 - Broad participation
 - An holistic approach
 - Evidence/knowledge-based
- The goals of the Torino Process are to
 - Make policies that deliver better results
 - Take informed decisions, with evidence leading to analysis and action.

The presentation on matching supply and demand strongly underscored the importance of dissemination of information to a wide range of stakeholders – not just Ministries and government agencies. The key however was the processes and mechanisms needed to turn this information into action.

6 CONCLUSION

In conclusion, it was pointed out by Arjen that

Skills planning is not a natural science; you will never get it right. You can only *approach* what is needed. And please don't do it by yourself – do it with others. It's important to bring stakeholders together – to discuss the data as indicators only.

Annex A: Briefing Notes

SA-EU SKILLS POLICY DIALOGUE - STUDY VISIT TO EUROPE, 2015

VISIT PROGRAMME: 19TH – 24TH JULY

BRIEFING NOTES FOR VISITS

PURPOSE OF VISIT PROGRAMME

This study tour mission is designed to assess international approaches to skills planning and their relevance for South Africa. DHET is charged with the responsibility to develop a credible mechanism for skills planning. The EU Delegation in South Africa is assisting DHET to this end through a Skills Planning Dialogue, aimed at promoting policy sharing and learning between South Africa and its European partners. The study tour is a key part of that process.

The study tour provides a unique opportunity to engage in peer learning. It provides the chance to have first-hand experience of meeting, speaking directly and discussing key issues. It enables orientation, informal dialogue and the exchange of information and views in person. It also facilitates future personal contacts and network development.

KEY QUESTIONS FOR THE STUDY VISIT AS A WHOLE

We are interested in drawing insights and perspectives from those we visit on the following topics:

- ✓ The **nature, scope and focus of skills planning** in countries/institutions visited.
- ✓ **How information on skills needs, shortages and imbalances are obtained, analysed and then utilised** by the education and training system, as well as by other stakeholders, to inform skills planning.
- ✓ The **kinds of information, indicators and analysis** that are used to understand and tackle skills needs, shortages and other imbalances.
- ✓ The **institutional arrangements and capacities** that are required to support effective labour market intelligence and its utilisation for planning purposes.
- ✓ **What works well** and the conditions required for this to occur.
- ✓ **What is less successful** and why.
- ✓ Any other insights relevant to the development of an effective skills planning mechanism in South Africa.

THESE BRIEFING NOTES

A short note on each of the bodies to be visited is contained in this document. They appear in the order the visits are to be undertaken. They provide relevant information on the organisation, suggested questions and links to further information.

Briefing Note 1

DATE OF VISIT: Monday 20 July

ORGANISATION: ORGANISATION: The UK Commission for Employment and Skills (UKCES)

COUNTRY: UK

The UKCES was established in 2008, following the recommendation of the Leitch Review of the UK's skills needs to 2020, in order to advise Government on skills and employment policy and assess the UK's progress towards the ambition of securing World Class skills and thus one of the most highly skilled countries in the world.

It is responsible for reporting progress on the UK's world class skills ambition; recommending policy and operational improvements and innovations; and oversees the network of Sector Skills Councils. It is charged with developing a more 'demand led', agile and responsive skills system and with driving up employer investment in people. It seeks to increase employer engagement and provide business leadership so as to better match skills supply to labour market needs and enable skills development to drive increased prosperity, employment and productivity.

It aims to take a long term strategic view, developing a broad consensus while at the same time leading innovation in the skills system. It is led by a social partnership Board of Commissioners, senior business people, trade unionists, third sector and other representatives. It is chaired by Charlie Mayfield, the Chief Executive of the John Lewis Partnership.

In some ways the UKCES performs a range of functions similar to those possible in a Skills Development Planning Unit in a South African context. Its sponsoring Ministry is the Department of Business, Innovation and Skills (BIS).

From the perspective of skills and labour market intelligence, it has produced a number of landmark studies including:

- The biannual **National Employer Skills Survey** (UKNESS), the largest and most sophisticated in the world, designed to examine skill shortages, skills gaps, skills use, training and recruitment as well as high performance working and product market strategies. The proposed South African Enterprise Survey could potentially learn much from this survey and its use. The report of the 2013 survey can be accessed here:
 - <https://www.gov.uk/government/collections/ukces-employer-skills-survey-2013>
- The biannual **Working Futures** labour market forecasts for the 10 years ahead. The most recent covers the period to 2022 and can be accessed here:
 - <https://www.gov.uk/government/publications/working-futures-2012-to-2022>
 -
- The Ambition 2020 study and subsequent national strategic skills audit '**Skills for Jobs Today and Tomorrow**', are both highly regarded with the latter especially being of interest for the similar in intention Annual Report on Supply and Demand for Skills in South Africa. More recently, their **Future of Work** study, takes a more qualitative and longer run perspective on trends in jobs and skills to 2030, focusing on 'disruptive' change and alternative scenarios. UKCES also commissions extensive research on skills issues and policy. Each of these is available through the UKCES website.

The skills intelligence is used to inform, *inter alia*: skills policy; industrial strategy; sector and local skills development; information, advice and guidance; and to provide independent, transparent information for stakeholders.

The interest in UKCES from a **South African perspective** is in relation to a number of issues. The techniques used to identify skill needs and how they may change in the future (their employer skills survey, occupational forecasts and 'futures' work) are worth exploring as means to provide the intelligence to better balance skills supply and demand. Their research into skills and jobs also provides insights into potential policy developments to better balance skills supply and demand. Their focus on greater employer ownership and engagement, and the means to achieve this are also highly relevant. The organisation itself may be of interest too in the light of the potential establishment of a SDPU in South Africa.

PEOPLE BEING MET:

Those likely to participate from the host organisation include:

- ✓ Lesley Giles, Deputy Director

- ✓ Katherine Chapman, Assistant Director
- ✓ Alex Thornton, Senior Research Manager
- ✓ Aoife Ni Luanaigh, Senior Research Manager
- ✓ Helen Beck, Research Manager

KEY QUESTIONS FOR THE STUDY VISIT AS A WHOLE

We are interested in drawing insights and perspectives from those we visit on the following topics:

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- ✓ **How information on skills needs, shortages and imbalances are obtained, analysed and then utilised** by the education and training system, as well as by other stakeholders, to inform skills planning.
- ✓ The **kinds of information, indicators and analysis** that are used to understand and tackle skills needs, shortages and other imbalances.
- ✓ The **institutional arrangements and capacities** that are required to support effective labour market intelligence and its utilisation for planning purposes.
- ✓ **What works well** and the conditions required for this to occur.
- ✓ **What is less successful** and why.
- ✓ Any other insights relevant to the development of an effective skills planning mechanism in South Africa.

POSSIBLE SPECIFIC QUESTIONS FOR THIS ORGANISATION:

1. What are the key metrics generated by the surveys and forecasts?
2. How can they be used to better balance the supply of, and demand for, skills in the labour market? How can providers be encouraged to be more responsive to demand?
3. How best to identify skills demand and changes in it?
4. How can a skills system be made more responsive to skills demand/employer needs? What tools and techniques can help?
5. In undertaking your work, is it better to be independent from, or within, a Ministry?

LINKS FOR FURTHER INFORMATION:

A guide to the work of UKCES produced in 2014 is available here:

<https://www.gov.uk/government/publications/uk-commission-for-employment-and-skills-business-plan-201314>

The guide sets out the approach and 4 key objectives of UKCES in 2014/15 as well as its business plan and provides details on its Commissioners.

Its '**Growth through People**' report is a succinct recent statement on the development of a successful skills policy regime. It sets out the 5 sets orientations and actions required to secure growth and prosperity through more effective action on skills development. It can be accessed here:

<https://www.gov.uk/government/publications/growth-through-people-a-statement-on-skills-in-the-uk>

ADDITIONAL COMMENTS:

Mike Campbell was Director of Research and Policy at the UKCES from its creation until 2011.

Briefing Note 2

DATE OF VISIT: Monday, 20th July

ORGANISATION: The National Institute for Adult and Continuing Education (NIACE)

COUNTRY: UK

NIACE is an independent organisation which focuses on 'lifelong learning'. It champions learning throughout life with a particular emphasis on groups with low participation in learning and skills acquisition and thus on inequalities and the large numbers of people who are currently low skilled, both those in work and out of work.

It is a development organisation, think tank and campaigner for skills, believing that learning generates significant benefits for individuals, employers, business and society.

It has recently produced a set of proposals for reforming the skills system, Skills for Prosperity, which makes the case for a skills led economic recovery.

<http://www.niace.org.uk/sites/default/files/resources/Manifesto%20General%20Election%202015%20Skills%20for%20Prosperity.pdf>

Their focus on the low skilled and those with low participation in skills acquisition may be of particular interest in a **South African context**. Both the UK and South Africa have low levels of participation in post compulsory education and training amongst specific groups and high levels of inequality in access to, participation in, and successful outcomes from, education and training. NIACE will also have views on how best to reform VET with a focus on lifelong learning.

Further details about NIACE can be found at www.niace.org.uk

PEOPLE BEING MET:

Those likely to participate from the host organisation include:

Tom Stannard, Deputy Chief Executive

Stephen Evans, Deputy Chief Executive

KEY QUESTIONS FOR THE STUDY VISIT AS A WHOLE

We are interested in drawing insights and perspectives from those we visit on the following topics:

- ✓ The **nature, scope and focus of skills planning** in countries/institutions visited.
- ✓ **How information on skills needs, shortages and imbalances are obtained, analysed and then utilised** by the education and training system, as well as by other stakeholders, to inform skills planning.
- ✓ The **kinds of information, indicators and analysis** that are used to understand and tackle skills needs, shortages and other imbalances.
- ✓ The **institutional arrangements and capacities** that are required to support effective labour market intelligence and its utilisation for planning purposes.
- ✓ **What works well** and the conditions required for this to occur.
- ✓ **What is less successful** and why.
- ✓ Any other insights relevant to the development of an effective skills planning mechanism in South Africa.

POSSIBLE SPECIFIC QUESTIONS FOR THIS ORGANISATION:

1. How can a skills system be reformed to better meet the (changing) needs of learners and the labour market, especially the low skilled? How can skills intelligence help us to do that?
2. What tools based on skills intelligence can Government use to encourage providers to more effectively align their provision with the needs of low skilled workers and improve outcomes for learners and employers?
3. How can learner participation be increased and what role can skills intelligence play in securing it?
4. What intelligence do providers and learners need to help enable them to make better informed learning and employment choices/decisions?

LINKS FOR FURTHER INFORMATION:

NIACE's most recent Annual Review of its work together with a set of 10 practical proposals for changes to the skills system, can be accessed below:

http://www.niace.org.uk/sites/default/files/files/niace_annual_review_2013-14.pdf

http://www.niace.org.uk/sites/default/files/resources/Ten%20Policies%20for%20Ten%20People_0.pdf

ADDITIONAL COMMENTS:

Stephen Evans was a key member of the Leitch Review of Skills team, to which Mike Campbell was the advisor.

NIACE will shortly merge with the Centre for Economic and Social Inclusion (CESI). CESI is an independent organisation, think tank and campaigner, promoting inclusion in the labour market, tackling worklessness and working to create employment opportunities for those most disadvantaged. Further details can be accessed here: www.cesi.org.uk.

Briefing Note 3

DATE OF VISIT: Tuesday, 21st July
ORGANISATION: Migration Advisory Committee (MAC)
COUNTRY: UK
<p>The Migration Advisory Committee, commonly referred to as the MAC, was established in 2007 as a non-departmental public body in order to provide 'transparent, independent and evidence based' advice to the Government on where 'shortages of skilled labour can sensibly be filled by migration' from outside the European Economic Area. In short, it now advises Government on Migration issues. It is an expert committee of around six eminent economists and migration specialists and is also supported by a full time, dedicated Secretariat, based in the Home Office.</p> <p>It provides a key foundation for the UK's Points Based Immigration System, where points are awarded, <i>inter alia</i>, based on whether a job offer is in a shortage occupation or not. But it also provides a detailed ongoing assessment of skill shortages in the economy.</p> <p>Its core task is to produce, and keep under review, a 'shortage occupation list' (SOL). In doing so, it seeks to answer three questions: Is the occupation skilled? Is it in shortage? Is it sensible to fill the shortage through migration? In consequence it addresses key questions that South Africa's approach to skills planning also needs to answer in developing a 'skills shortage list' or 'list of occupations in high demand' i.e. What indicators can we use to measure skill levels? How can we identify skilled occupations? And, most crucially, how should we assess the extent of shortages in these occupations?</p> <p>The range of possible measures of shortage was reviewed for their suitability for use against a set of criteria and the MAC uses a set of 12 indicators to identify where shortages exist. But it also establishes the thresholds for each indicator which are deemed to demonstrate the existence of a shortage and determines overall which occupations exhibit shortage and which do not. It also enables the ranking of occupations within the list and an indication of the numbers employed in the shortage occupation.</p> <p>This 'top down' evidence is augmented by 'bottom up' evidence from stakeholders.</p>
<p>PEOPLE BEING MET:</p> <p>Those likely to participate from the host organisation include:</p> <ul style="list-style-type: none">✓ Professor Sir David Metcalfe, Chair of the MAC✓ Tim Harrison, Head of Secretariat, MAC✓ Stephen Earl, Head of Policy, MAC
<p>KEY QUESTIONS FOR THE STUDY VISIT AS A WHOLE</p> <p>We are interested in drawing insights and perspectives from those we visit on the following topics:</p> <ul style="list-style-type: none">✓ The nature, scope and focus of skills planning in countries/institutions visited.✓ How information on skills needs, shortages and imbalances are obtained, analysed and then utilised by the education and training system, as well as by other stakeholders, to inform skills planning.✓ The kinds of information, indicators and analysis that are used to understand and tackle skills needs, shortages and other imbalances.✓ The institutional arrangements and capacities that are required to support effective labour market intelligence and its utilisation for planning purposes.✓ What works well and the conditions required for this to occur.✓ What is less successful and why.✓ Any other insights relevant to the development of an effective skills planning mechanism in South Africa.
<p>POSSIBLE SPECIFIC QUESTIONS FOR THIS ORGANISATION:</p> <ol style="list-style-type: none">1. How best to define, measure and review skills shortages/shortage occupations2. How could other Ministries and Stakeholders use the MACs work to develop a better match between domestic skills

supply and skills demand and tackle skills shortages. And does the MAC liaise with, for example, the Department of Business, Innovation and Skills, on these matters, so as to fill these shortages with domestic workers and thus reduce the need for migration to meet skills shortages

3. What is the MACs view of other countries' approaches to identifying skill shortage occupations e.g. Australia and Canada (The MAC has held a major international research and practice conference and its members are experienced internationally)
4. Is it desirable or possible to seek to be forward looking and to 'anticipate' future skills shortages. (The MAC methodology is focused on 'current' and recent shortages.)

LINKS FOR FURTHER INFORMATION:

A summary of the MAC's work can be found here in its 2013/2014 Annual Report which provides an overview of their work, their ToR and key issues assessed in the last year:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/373145/MAC_Annual_Report_2013-14.pdf

Details of the methodology used to examine skills shortages, together with the empirical outcomes from it, can be found in their initial key report 'Skilled, Shortage and Sensible' (2008):

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/257245/shortageoccupationlistreport.pdf

A summary of the approach, together with the most recent list and analysis, can be found in their partial review of the shortage occupation list, covering digital technology, overhead linesmen and health care (2015):

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/406775/Partial_review_of_the_SOL_for_UK_and_Scotland_Report.pdf

ADDITIONAL COMMENTS:

The MAC probably has the most sophisticated approach to assessing skills shortages in the world. It is primarily utilised however to target and restrict work related migration to a relatively small number of occupations and to tackle skills shortages through channelling migration into them. It could however be used to target the expansion of post compulsory education and training for young people and adults, as well as employer investment in training and development, into these key skills shortage occupations.

Mike Campbell was a member of the MAC from its inception to 2011.

Briefing Note 4

DATE OF VISIT: Wednesday 22 July

ORGANISATION: Expert Group on Future Skills Needs (EGFSN) and The Education and Training Authority for Ireland (SOLAS)

COUNTRY: Ireland

EGFSN was established in 1997 and advises the Irish Government on the current and future skills needs of the economy as well as on labour market issues that impact on enterprise and employment growth. It plays a central role in ensuring that the labour market needs for skilled workers are anticipated and met.

It reports to the Minister for Jobs, Enterprise and Innovation (JEI) and the Minister for Education and Skills-therefore to both the 'demand' and 'supply' sides of the skills agenda. JEI together with SOLAS provides the EGFSN with research and secretarial support.

It provides: skills foresight and benchmarking; strategic advice on skills development; analysis of the demand and supply of skilled labour; and both influences developments and monitors implementation of actions.

Members of the expert group comprise representatives of business, employees, education, Government ministries and public agencies.

It produces **an annual review of trends on both the demand and supply sides**. The National Skills Bulletin covers demand side issues and the 2014 edition can be found here: http://www.egfsn.ie/media/23072014-National_Skills_Bulletin%20_2014--Publication.pdf.

It takes an occupational perspective and also covers the implications for education and training; migration; and careers guidance.

EGFSN also produces an annual Vacancy Overview.

The Monitoring Skills Trends report covers the supply side. Its most recent report is available here: http://www.egfsn.ie/media/15082014-monitoring_Ireland's_Skills_Supply_%202014-Publication.pdf

SOLAS is the relatively new (established in 2013) further education and training authority for Ireland, replacing the dissolved FAS. It is responsible for the strategic direction, funding, planning and co-ordination of training and further education. It has an explicit remit to ensure high quality provision and for it to be responsive to the needs of learners and the requirements of a changed and changing economy. It has produced a five year strategy for the sector and its corporate plan is available here: <http://www.solas.ie/docs/SOLASCorporatePlan.pdf>

It oversees the 16 local Education and Training Boards and produces annual regional labour market bulletins at the level of just eight regions. Its Skills and Labour Market Research Unit also provides the EGFSN with data, analysis and research and also maintains the national skills data base.

They have also recently conducted, jointly with the Higher Education Authority, a national employer survey of satisfaction with Irish graduates from further and higher education.

EGFSN and SOLAS are **of interest to South Africa**, in respect of their work on skills anticipation; the existence of a permanent expert group; the relationship between the Expert group, ministries and the further education body (in relation to a possible SDPU in South Africa); and how the skills intelligence is used.

PEOPLE BEING MET:

Those likely to participate from the host organisation(s) include:

- ✓ Gerard Walker, Senior Policy Advisor, Department of Jobs, Enterprise and Innovation.

KEY QUESTIONS FOR THE STUDY VISIT AS A WHOLE

We are interested in drawing insights and perspectives from those we visit on the following topics:

- ✓ The **nature, scope and focus of skills planning** in countries/institutions visited.
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- ✓ The **kinds of information, indicators and analysis** that are used to understand and tackle skills needs, shortages and other imbalances.
- ✓ The **institutional arrangements and capacities** that are required to support effective labour market intelligence and its utilisation for planning purposes.
- ✓ **What works well** and the conditions required for this to occur.
- ✓ **What is less successful** and why.
- ✓ Any other insights relevant to the development of an effective skills planning mechanism in South Africa.

POSSIBLE SPECIFIC QUESTIONS FOR THIS ORGANISATION:

1. How is the skills intelligence utilised by the Ministries, Providers and other stakeholders to enable them to meet emerging skills needs?
2. What incentives/encouragement is needed for them to take relevant action?
3. Why is the expert group so important when the technical work is primarily done by others e.g. SOLAS

LINKS FOR FURTHER INFORMATION:

The EGFSN website is at: www.eqfsn.ie

The SOLAS website is at : www.solas.ie

ADDITIONAL COMMENTS:

Carmel Mattock spoke with the EGFSN on a recent visit and recommended making contact.

Briefing Note 5

DATE OF VISIT: Thursday 23 July

ORGANISATION: European Commission, DG Education and DG Employment

COUNTRY: European Union of 28 Member States

DG Education and Culture's responsibilities cover schools, universities and vocational education and training. These are national 'competencies' but the EU's and thus the Commission's role is to encourage co-operation across Europe, enhance European learning, increase mobility, provide opportunities to increase quality and knowledge of different systems and provide greater transparency and a sound evidence base. In 2012 it produced the 'Rethinking Education' report, to stimulate thinking and action to secure better socio-economic outcomes from investing in skills development:

http://ec.europa.eu/languages/policy/strategic-framework/rethinking-education_en.htm. It is accompanied by an extensive evidence base

It annually produces the '**Education and Training Monitor**' which provides increased transparency and a strong empirical evidence base through an extensive range of key indicators and benchmarks available across the EU. In so doing it identifies key findings, major challenges and implications both for the EU and for individual countries. The third of these was published in 2014 along with a visualisation tool for ease of use. The focus, in particular, is on measures relating to the 2020 EU Education and Training Targets, which cover: reducing early education leaving; tertiary education attainment; early years education; maths, science and reading at secondary level; the employment rates of recent graduates; and adult participation in lifelong learning. It is available here: http://ec.europa.eu/education/library/publications/monitor14_en.pdf. 28 individual country reports are also available.

DG Employment, Social Affairs and Inclusion shares with member states a range of responsibilities but in relation to employment primarily co-ordinates and monitors national policies and promotes the sharing of policy knowledge and best practices. It has responsibility for the employment dimension of the Europe 2020 strategy, which aims to secure 'smart, sustainable and inclusive' economic growth through the pursuit of five objectives: employment, innovation, education, social inclusion and combatting climate change.

This 'European Employment Strategy'(EES) seeks to strengthen labour market reforms ('flexicurity') to help people gain the right skills for future jobs and to create new ones too ('more and better jobs'). It has as its cornerstone the **Agenda for New Skills and Jobs**. Issues covered include: skills anticipation; sector skills councils; Qualifications; connecting skills, competencies and occupations (via the ESCO Board and process); and the New Skills for New Jobs agenda. Further details are available here: <http://ec.europa.eu/social/main.jsp?langId=en&catId=822>

Both DGs engage widely with both the Vocational Education and Training and Higher Education agendas across Europe. While both are national responsibilities, European integration requires information exchange, transparency, collaboration, enhanced mobility and identifying good practices. Moreover, many EU countries face similar challenges and opportunities around the development of human capital, participation in skills development, and better connections between skills, jobs and prosperity. The DGs are responsible for two important EU agencies: CEDEFOP (see below) and the European Training Foundation (which is the subject of a separate briefing note).

The **VET agenda** is taken forward through the Copenhagen process, aiming to improve co-operation across the EU via mutually agreed priorities to improve the quality and relevance of provision/participation to the labour market. Further details are available here: http://ec.europa.eu/education/policy/vocational-policy/index_en.htm

The **Higher Education agenda** is important in the EU, as there is a Europe 2020 target to have 40% of young people with a HE qualification. The policy has five key priorities: increasing the number of HE graduates; increasing their quality; encouraging their mobility; building knowledge exchange between education, research and innovation; and developing more effective governance and funding. Key to this is improving information on HE across the EU and three documents are key:

- ✓ Agenda for the Modernisation of European HE Systems, is the key policy document
- ✓ The European Tertiary Education Register, has a full set of data on more than 2000 institutions

- ✓ U-Multirank, ranks institutional performance across 1200 HE institutions, launched in May 2015 can be accessed below: http://ec.europa.eu/education/tools/u-multirank_en.htm

The **DGs** publish an extensive array of empirical data on jobs and skills to help improve information, intelligence and knowledge of trends and priorities. For example, one recent set of insights comes from an assessment of the employment and skills of recent graduates, available here: file:///C:/Users/User/Downloads/EUSP_AH_Graduates.pdf

The **Skills Panorama** however is the central access point for intelligence on skills and jobs, examined by skill level, occupation, sector and country with a view to identifying imbalances between supply and demand. The portal can be accessed here:

<http://euskillspace.cedefop.europa.eu/>

CEDEFOP is the European agency responsible for the development of vocational education and training. It undertakes forecasts of skills supply and demand: <http://www.cedefop.europa.eu/en/events-and-projects/projects/forecasting-skill-demand-and-supply>

Its methodological approach to assessing skills supply and demand across the EU is set out in this report: file:///C:/Users/User/Downloads/5525_en.pdf

A broad review of labour market issues across the EU is published annually as '**Employment and Social Developments in Europe**'. The latest edition, focusing on skills, jobs and the future of work is available here:

<http://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=7736&type=2&furtherPubs=yes>

South Africa's interest in the European Commission's agenda on Skills and Jobs is driven by the EU's attempts to better align skills with jobs as a core part of their activities. The work on skills anticipation, on better information and intelligence and on VET reform and HE development are all of interest. The extensive monitoring and review work on/with member states may also be of value. So too, are the strategies and policies that are designed to better match skills and jobs and their integration into a wider growth strategy.

PEOPLE BEING MET:

Those likely to participate from the host organisation include:

- ✓ Ana-Carla Pereira, Head of Skills and Qualifications Unit
- ✓ Koen Nomden, Head of VET
- ✓ Thomas Bender, Head of Analysis and External Affairs

KEY QUESTIONS FOR THE STUDY VISIT AS A WHOLE

We are interested in drawing insights and perspectives from those we visit on the following topics:

- ✓ The **nature, scope and focus of skills planning** in countries/institutions visited.
- ✓ **How information on skills needs, shortages and imbalances are obtained, analysed and then utilised** by the education and training system, as well as by other stakeholders, to inform skills planning.
- ✓ The **kinds of information, indicators and analysis** that are used to understand and tackle skills needs, shortages and other imbalances.
- ✓ The **institutional arrangements and capacities** that are required to support effective labour market intelligence and its utilisation for planning purposes.
- ✓ **What works well** and the conditions required for this to occur.
- ✓ **What is less successful** and why.
- ✓ Any other insights relevant to the development of an effective skills planning mechanism in South Africa.

POSSIBLE SPECIFIC QUESTIONS FOR THIS ORGANISATION:

1. What are the key dimensions of policy action that can help bring about a better balance between skills supply and labour market needs?
2. What aspects of skills intelligence/anticipation are most valuable in securing this match?
3. How can the European Commission and Member States best utilise skills intelligence to secure a better match?
4. How do colleges and universities themselves respond to available skills intelligence and how can they be encouraged to do so more effectively?

LINKS FOR FURTHER INFORMATION:

The home pages setting out the activities of the DGs Education and Employment in turn are:

http://ec.europa.eu/education/index_en.htm

<http://ec.europa.eu/social/main.jsp?langId=en&catId=1>

ADDITIONAL COMMENTS:

Mike Campbell was a member of the New Skills for New Jobs Expert Group and a member of the ESCO Board.

Briefing Note 6

DATE OF VISIT: July 2015

ORGANISATION: OECD (Organisation for Economic Co-operation and Development)

COUNTRY: OECD is a Multilateral Organisation; its HQ is in Paris, France

The OECD was established in 1961. It currently has 34 member countries, together with a number of key 'partner' countries, of which South Africa is one. It has an 'enhanced engagement' programme with South Africa, which has participants in many of the bodies in the OECD.

Its aim is to help Governments foster prosperity and fight poverty through economic growth.

Skills is a key area of its activities. **Its Directorate of Education and Skills focuses on measuring education and skills opportunities and outcomes, using an evidence-based approach to inform policy.** It is assisted by the Economics Department which undertakes work, inter *alia*, on 'Labour Markets, Human Capital and Inequality'.

It undertakes the **PISA (youth) survey** as well as the **PIAAC (Adult Skills) survey**. It has now begun to produce the **Skills Outlook**, which draws on a wide range of sources to chart international trends in skills development.

<http://www.oecd.org/edu/oecd-skills-outlook-2015-9789264234178-en.htm>

It also produced the extensive **Learning for Jobs** (2008) programme of work on secondary level VET and skills, producing a series of country studies as well as a 'synthesis' report. More recently it has undertaken a series of studies, including one on South Africa, on VET: **Skills Beyond School** (2015), which also includes a synthesis report.

<http://www.oecd.org/edu/skills-beyond-school/Skills-Beyond-School-Synthesis-Report.pdf>

<http://www.oecd.org/edu/skills-beyond-school/a-skills-beyond-school-review-of-south-africa.pdf>

In 2012 OECD launched its **Skills Strategy, 'Better Skills, Better Jobs, Better Lives'** and now assists countries with policy development and implementation, producing as a result a series of country notes, reviews and diagnostic results.

http://www.keepeek.com/Digital-Asset-Management/oecd/education/better-skills-better-jobs-better-lives_9789264177338-en#page1

Useful publications, as well as those indicated above include: The OECD Economic Outlook; The OECD Economic Surveys (of individual countries); and Going for Growth (which compares indicators/levels of national performance to a common framework).

All are available through the OECD website: www.oecd.org

The **OECD's work is of interest/relevance to South Africa** in respect of its analytical work, its surveys, its reviews of Vocational Education and Training and its ability to provide lessons from comparative studies, benchmarking and synthesis studies.

PEOPLE BEING MET:

Those who may participate from the host organisation include:

- ✓ Simon Field, who leads the work on Skills Beyond School
- ✓ Glenda Quintini, who leads their work on Skills Mismatch

KEY QUESTIONS FOR THE STUDY VISIT AS A WHOLE

We are interested in drawing insights and perspectives from those we visit on the following topics:

- ✓ The **nature, scope and focus of skills planning** in countries/institutions visited.
- ✓ **How information on skills needs, shortages and imbalances are obtained, analysed and then utilised** by the education and training system, as well as by other stakeholders, to inform skills planning.
- ✓ The **kinds of information, indicators and analysis** that are used to understand and tackle skills needs, shortages

- and other imbalances.
- ✓ The **institutional arrangements and capacities** that are required to support effective labour market intelligence and its utilisation for planning purposes.
 - ✓ **What works well** and the conditions required for this to occur.
 - ✓ **What is less successful** and why.
 - ✓ Any other insights relevant to the development of an effective skills planning mechanism in South Africa.

POSSIBLE SPECIFIC QUESTIONS FOR THIS ORGANISATION:

1. Labour Market Intelligence on Skills: What are the key metrics? How best to measure the 'skill needs' of an economy? How to measure 'skills mis-matches'?
2. The Learning Outcomes Approach: What is involved and why? How to use 'transparency'?
3. What are the key characteristics of an effective VET system that can meet labour market needs?
4. How can skills and labour market intelligence be effectively utilised so that education and training providers (including universities and schools) respond to the changing needs of the labour market?
5. What do you consider the key successes and failures in thinking about these issues?
6. What are the most important lessons we could take back to South Africa?

LINKS FOR FURTHER INFORMATION:

A brochure on the work of the Directorate is available at: www.oecd.org/edu , as is substantial further information and links to all key reports.

The Skills Strategy Portal, which is a more end user friendly 'way in' is at: www.skills.oecd.org , and provides access to the same reports with less information on the Directorate itself.

ADDITIONAL COMMENTS:

The Directorate produces a regular newsletter. To subscribe visit: www.oecd.org/edu/newsletter.htm

Mike Campbell was a member of the OECD Skills Strategy Advisory Board from 2009-2011.

Briefing Note 7

DATE OF VISIT: Friday 24 July

ORGANISATION: European Training Foundation (ETF)

COUNTRY: An agency of the European Union, based in Turin, Italy

The ETF is the European Union (EU) agency which helps transition and developing countries, particularly those on the eastern and southern borders of the EU, to better harness the potential of their human capital through the reform of their education, training and labour market systems. They work with over 30 countries. It has been in operation now for more than 20 years, having been operational since 1994.

They undertake work primarily on Vocational Education and Training (VET) in particular in the following areas: VET system assessments; Qualification systems; Teaching and Learning; Quality Assurance; Governance; and Employability.

Their core work **of particular interest for South Africa** is perhaps their **Torino Process**. This involves working closely with individual countries as well as groups of countries, to develop their capacity and capability based on the principles of the availability of thematic expertise together with mutual learning, consensus building and partnership. Key work involves: building the evidence base for VET reform; supporting policy makers to conduct effective policy analysis; and the subsequent design of effective public policies to meet their specific needs. The process itself involves visits, workshops, reports and dialogue as well as broad and open participation of both countries and stakeholders.

The key dimensions of policy analysis are identified as: vision (informed by new trends in skills/VET for development); addressing labour market demand; addressing the need for labour market inclusion; and the efficiency of VET Governance.

One high level tool of interest may be their **progress measures**, a common framework across countries to monitor progress on the outcomes of VET reform, which consists of a suite of 32 indicators organised in five building blocks: vision; external economic efficiency; external social efficiency; internal efficiency; and Governance. More details on the Torino Process are available here:

[http://www.etf.europa.eu/webatt.nsf/0/CA3DFAE77EE7A1FBC1257B6400651E85/\\$file/TRP%202012%20cross-country.pdf](http://www.etf.europa.eu/webatt.nsf/0/CA3DFAE77EE7A1FBC1257B6400651E85/$file/TRP%202012%20cross-country.pdf).

This provides a cross country summary report published in 2013, of the trends and priorities emerging across countries through the Torino process.

Another specific project of interest is their **FRAME project**, which focuses on the skills needed for the future to 2020 and comprises four elements: foresight into future skills needs; institutional arrangements and capacity/capability development needs; monitoring tools/measurement; and knowledge sharing and dialogue. Further extensive details are available here:

http://www.etf.europa.eu/web.nsf/pages/Frame_Project_EN

Another project of interest is the launch in June 2015 of their e-learning platform on Skills Anticipation and Matching to be called 'Make It Match'.

The ETF are **of interest to South Africa** because of their focus on VET reform to better meet the needs of rapidly changing economies. Their capacity building activities; their interest in identifying skills needs; and in how the supply side can be developed to better meet citizens and employers' needs in economies undergoing economic and political transitions and which are highly unequal, should be of value.

PEOPLE BEING MET:

Those likely to participate from the host organisation include:

- ✓ Xavier Matheu de Cortado, Head of Thematic Policy
- ✓ Xavier will be joined by staff from their Employability and Qualifications teams.

The focus of our session will include discussion of: skill needs anticipation; case studies; and how to make education and training more connected to labour market needs

KEY QUESTIONS FOR THE STUDY VISIT AS A WHOLE

We are interested in drawing insights and perspectives from those we visit on the following topics:

- ✓ The **nature, scope and focus of skills planning** in countries/institutions visited.
- ✓ **How information on skills needs, shortages and imbalances are obtained, analysed and then utilised** by the education and training system, as well as by other stakeholders, to inform skills planning.
- ✓ The **kinds of information, indicators and analysis** that are used to understand and tackle skills needs, shortages and other imbalances.
- ✓ The **institutional arrangements and capacities** that are required to support effective labour market intelligence and its utilisation for planning purposes.
- ✓ **What works well** and the conditions required for this to occur.
- ✓ **What is less successful** and why.
- ✓ Any other insights relevant to the development of an effective skills planning mechanism in South Africa.

POSSIBLE SPECIFIC QUESTIONS FOR THIS ORGANISATION:

1. Based on your Torino process experience, what are the key, priority elements of skills intelligence/anticipation that are needed to help inform policy to better match skills to labour market demands?
2. How can the VET system be more encouraged/incentivised to meet labour market needs and thus improve outcomes and employability? What role can skills intelligence/anticipation play in that?
3. What are the main capacity/capability building needs of countries who wish to ensure that their education and training is more effective in meeting their labour market needs and best can these be met?

LINKS FOR FURTHER INFORMATION:

The ETF's detailed work programme for 2014/15 is set out here:

[http://www.etf.europa.eu/wpubdocs.nsf/0/8B166EFDDC1FE851C1257D9A003095FF/\\$File/GB14DEC014_EN%20FINAL.pdf](http://www.etf.europa.eu/wpubdocs.nsf/0/8B166EFDDC1FE851C1257D9A003095FF/$File/GB14DEC014_EN%20FINAL.pdf)

It focuses on: evidence based VET policy analysis; modernisation of VET systems including Governance and Quality Assurance; and innovative approaches to increasing the relevance of VET for labour markets and economic inclusion.

ETF also produce a series of policy briefings on VET issues called 'Inform'. They are all available, in date order here:

<http://www.etf.europa.eu/web.nsf/pages/Inform>

ADDITIONAL COMMENTS:

The ETF are currently working with the ILO and CEDEFOP to develop a series of guides to Skills Anticipation at the national and sectoral levels which may begin to appear later in 2015.

Annex B: Decision Matrix

EU-South Africa Skills Planning Dialogue International Study Visits: Decision Matrix

COUNTRY ISSUE	UK	IRELAND	DENMARK	SWEDEN	GERMANY	THE NETHERLANDS	USA	OECD	EU INSTITUTIONS	INTERNATIONAL INSTITUTIONS	AUSTRALIA	SINGAPORE	INDIA
Enterprise/ Firm Survey	National Employer Skills Survey (UKCES)		Stats Denmark conducts frequent enterprise surveys	Job Vacancy Survey	Employer skills surveys at federal and state level	Foundation for Cooperation on Vocational Education, Training and the Labour Market (S-BB)			CEDEFOP, Thessaloniki Greece				
Forecasting/ Futures	Working Futures Future of Work (UKCES)	Export Group on Future Skill Needs (EGFSN) Manpower Employment Outlook Survey		Trends and Forecasts by Stats Sweden	'Labour Market 2030' study	Netherlands Bureau for Economic Policy Analysis (CPB) Social Statistical Database (S-SB)	O*NET programme (by DOL)		CEDEFOP			Skills Future	
Overall supply and demand LMI	Skills Audit Framework; Ambition 2020 Policy and LMI Framework (UKCES)	Forfás (now SOLAS) Economic and Social Research Institute (ESRI)	Regional councils	Stats Sweden (MONA)	The Institute for Employment Research (IAB) Federal	Central Bureau of Statistics (CBS) Provincial LMIs	O*NET	Skills Strategy Adult Skills Survey (PIAAC)	CEDEFOP DG Employment Skills Panorama	World Bank: STEP; Country Studies Washington USA ILO: G20 Training		Workforce Dev'tment Agency (WDA) LM Statistical Info Portal	National Skills Dev'tment Corporation Labour Market Info

COUNTRY ISSUE	UK	IRELAND	DENMARK	SWEDEN	GERMANY	THE NETHERLANDS	USA	OECD	EU INSTITUTIONS	INTERNATIONAL INSTITUTIONS	AUSTRALIA	SINGAPORE	INDIA
					Institute for Vocational Education and Training (BIBB) IZA			(Paris, France)	(Brussels, Belgium)	Strategy; Employability Geneva, Switzerland			System
Skills Shortage List	Migration Advisory Committee (MAC) Skills shortage list	Critical Skills Employment List by Dept. of Jobs, Enterprise & Innovation	By Immigration Service (for work permit purposes)	By Swedish Institute (for work permit purposes)		By Min. of Social Affairs & Employment (work permit related)					157 Visa shortage list (NILS)		
Education Outcome/ Tracking Studies	KIS/DHEL (Destinations of HE Leavers) FE Choices	Economic and Social Research Institute (ESRI)	Destination studies by Stats Denmark and Min. of Education	Stats Sweden	QUBE project (BIBB)	The Research Centre for Education and the Labour Market (ROA)							
Inward investment and college provision		N. Ireland Colleges					BMW/ Boeing and Community Colleges in South Carolina						
Provider responsiveness			Through regional sector councils		Dual system is widely provider responsive		NSC (SWEAP)	Skills Beyond School and Learning for Jobs reviews			VET Reform Task Force	Institute for Adult Learning	

COUNTRY ISSUE	UK	IRELAND	DENMARK	SWEDEN	GERMANY	THE NETHERLANDS	USA	OECD	EU INSTITUTIONS	INTERNATIONAL INSTITUTIONS	AUSTRALIA	SINGAPORE	INDIA
Employer ownership/ Business Leadership	UK Commission for Employment and Skills (UKCES)		National Council for Vocational Training	National Programme Councils Advisory Labour Market Council	Dual system is widely employer driven	Foundation for Cooperation on Vocational Education, Training and the Labour Market (S-BB)							
Capacity building							National Association of Workforce Boards (NAWB) National Skills Coalition (NSC)		European Training Foundation (Turin, Italy) ILO (Skills Academy)				
Sectors/ Partner-ships	Sector Skills Councils (SSCs)		Sector skills councils and trade committees		Skills councils at both federal and state level	Sector Skills Bodies	National Network of Sector Partners (NNSP)				Industry Skills Councils	Sectoral Manpower Strategies	Sector Skills Councils
General							Department of Labor Washington and San Francisco						

Annex C: Evaluation of First International Study Tour Mission

19 – 25 July 2015

On a scale of 1 to 5, where 4 is Good and 5 is Very Good, the mean scores for each element assessed were as follows:

Presentations: 4.2

Discussions 4.1

Delegation Dynamics 4.2

Prof. Campbell/Glen Fisher input and support 4.8

Logistics 4.1

Info/briefings 4.6

OVERALL SATISFACTION 4.4

One other statistic of interest: of the 62 ratings possible, 60 were rated 4 or 5 - with just 2 'threes' (one on discussions and one on group dynamics)