

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

REPORT OF THE SECOND WORKSHOP OF THE EU-SA SKILLS PLANNING DIALOGUE

July 2017



**higher education
& training**

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA



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1 BACKGROUND AND OVERVIEW

This Note summarises the proceedings of the Second South Africa Workshop held under the auspices of the EU-SA Skills Planning Dialogue at Cricklewood Manor, Pretoria, on 10 November 2015.

The workshop was attended by a total of 34 participants, including the Director General of the Department of Higher Education and Training and the Chief Director in the Director-General's office. Participants included members of the official delegations which had taken part in two study tour missions, under the auspices of the Dialogue, to the EU and Australia in July and October respectively. A list of workshop participants is attached at Appendix A.

Mr Firoz Patel of the Department directed the programme and the workshop was facilitated by the senior research adviser to the project, Professor Mike Campbell.

2 WELCOME AND INTRODUCTIONS

Mr Patel opened the workshop and welcomed participants, who were asked to introduce themselves. Setting the EU-SA Skills Planning Dialogue in the contexts both of the Department's key outcomes and the partnership between the EU and South Africa, he drew attention to the two study tour missions that had taken place in the period since the first workshop, to the EU and Australia, and to the valuable insights and perspectives that these had afforded.

3 WORKSHOP BACKGROUND, PROCESS AND OBJECTIVES

Mr Fisher briefly reviewed the origins and objectives of the Skills Planning Dialogue, noting that a key objective – namely to provide a platform for first-hand engagement between South African officials and LMI experts and counterparts in the EU and elsewhere – had been amply fulfilled by the two study tour missions.

He highlighted five lessons that he believed were central to what the study tour missions had learned about the use of labour market intelligence for skills planning:

- Keep it simple – *not* simplistic or unsophisticated, but realistic, practical, comprehensible
- Keep it grounded, bearing in mind both the uses and limitations of data and the need to validate LMI against the real-world experience and perspectives of employers and others
- Use a mix of methods – both 'top down' (quantitative) and 'bottom up' (qualitative)
- Put *demand* at the centre, recognizing in this regard the central importance of business
- Communication, dialogue, stakeholder engagement and the building of 'communities of trust' are absolutely critical

He noted that reports on the two study tour missions would be made available to participants as soon as possible.

4 PRESENTATION AND DISCUSSION

– PROFESSOR MIKE CAMPBELL

Professor Campbell made an in-depth presentation on the lessons and proposals emerging from the EU-SA Skills Planning Dialogue, in which he outlined the following:

- The key elements of the EU-SA Skills Planning Dialogue, including the commissioning of desktop research on LMI and its use in SA and other countries; two EU-SA workshops, held in Pretoria; study tour missions to the EU and Australia; and discussions in the Project Management Committee as well as the utilisation of the expertise of the UK research adviser and South African research manager.
- Key elements of the construction of an LMI system, focusing on the design of the LMI framework, the identification of LMI information and intelligence, and proposals for the systematic dissemination of LMI to inform, influence and guide key actors and role-players. The ‘foundations’ of the system, as well as proposed high-level policy outcomes, were also identified.
- Related to this framework, a total of 19 recommendations and proposals was outlined, each of which was assessed by breakaway groups (see below) on the basis of their current status, and importance to the system going forward.

The full presentation, with breakaway group ratings, is available as Appendix B.

Discussion of the presentation centred on a desire for further information and detail, coupled with strong support for the overall analysis and direction of the recommendations. There was general agreement that using LMI for skills planning was both a science and an art, and recognition that South Africa should seek to build on the research and analysis that had been undertaken already. The need for an overarching ‘skills narrative’ which would capture the big issues and key challenges was highlighted, while the need to break out of a low skills equilibrium struck a particular chord.

Discussion of a possible institutional location for the skills planning mechanism highlighted the principle that ‘form follows function;’ much would hinge on whether the mechanism was intended as a stakeholder or expert group or advisory body, for instance. The need for a sufficient degree of independence from government was emphasised, if the data and analysis that it produced were to be seen as trustworthy and legitimate.

5 BREAKAWAY GROUPS AND PLENARY REPORT-BACK

After lunch participants broke into three groups, to examine the 19 recommendations that had been outlined in the presentation in greater detail. Participants were asked:

- To assess the current state of affairs using a ‘traffic light’ set of indicators (red, amber, green)
- To rank the importance of each proposal as ‘essential,’ ‘desirable’ and ‘not required’
- To add any issues that they felt had not been addressed

The summary response of the groups can be found in the last two slides of the presentation, at Appendix B. As can be seen, a significant number of items were assessed as either red or amber, while most of the recommendations were regarded as essential – confirming, as Professor Campbell pointed out in his summation, that the workshop believed that the analysis and proposals were on the right track.

6 NEXT STEPS AND CLOSURE

In closing, Mr Patel thanked Professor Campbell and Mr Fisher for the work they had done, observing that the workshop had been a 'wonderful' exercise. The 'intervention grid' outlined by Professor Campbell was especially useful, as it helped to identify the range of levers and mechanisms available to inform, influence, incentivise and direct the various actors in the skills environment. The approach to the communication and dissemination of LMI would also assist the actors in their own planning. He emphasised in this regard the importance of ensuring curriculum responsiveness and relevance, and measuring this through systematic employer feedback.

Mr Patel then took the opportunity to announce that the Minister had approved the establishment of a skills planning unit to be located, initially at least, within the Department.






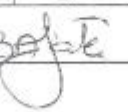

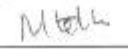

Noting that the final report of the Skills Planning Dialogue would be submitted in the next few weeks, he thanked the EU for its support and sponsorship, noting that a colloquium would be held in the coming year to engage with this and other contributions. He was hopeful that Professor Campbell along with other international experts would be able to participate.

In conclusion Mr Patel thanked the Director General for honouring the workshop with his presence, and for leading the two study tour missions. He expressed his appreciation to Professor Campbell and Mr Fisher, to the study tour delegations, and workshop participants, observing that 'people we can see we had a very good event today.'



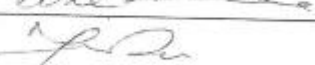











APPENDICES

Appendix A: List of Participants

EU-SA Dialogue on Skills Planning - Second South Africa Workshop - Pretoria 10 November 2015							
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South Africa – European Union Dialogue on Skills Policy

Towards a credible mechanism for
skills planning:
Lessons and Proposals

Workshop
Tuesday, 10 November
Pretoria

1

Our Focus

- A credible **mechanism**
- Information and analysis on **supply and demand** for skills
- Better **balanced** supply and demand for skills

2

The dialogue at a glance

The diagram illustrates the components of a dialogue process, centered around **Proposals**. The central element is a red oval labeled **Proposals**. Surrounding it are eight light blue segments, each representing a different stage or activity:

- Review: lessons from SA and international**
- Workshop 1**
- Study visit 1**
- Study visit 2**
- Ongoing support**
- Project Management Committee**
- Workshop 2**
- Researchers' knowledge and experience**





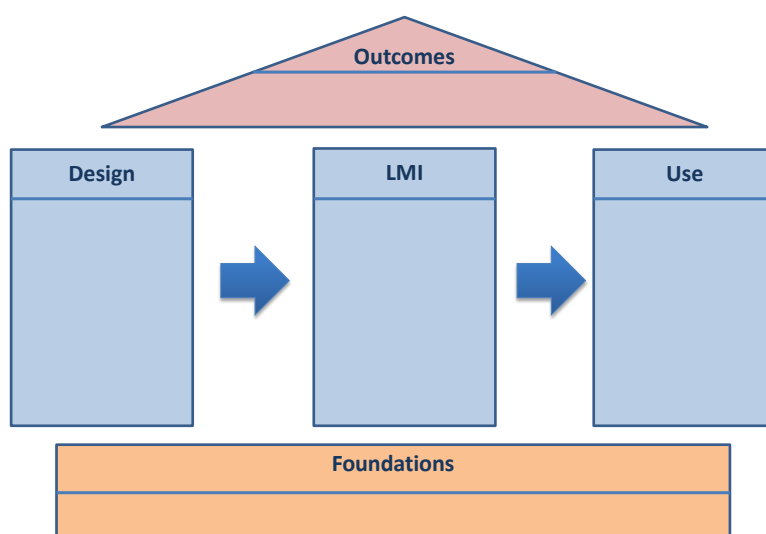
5

Key Characteristics

- Secure impact
- A system approach
- Policy driven
- Transparency
- Dissemination
- Simplicity
- Participatory: Top down and bottom up
- Quantitative and qualitative
- Results driven
- Using LMI: the keys to success
- Governance
- Realism

6

A skills planning system



7

Design Proposals

The Issues:

- Scope and purpose
- The skills system
- Connections and interdependencies

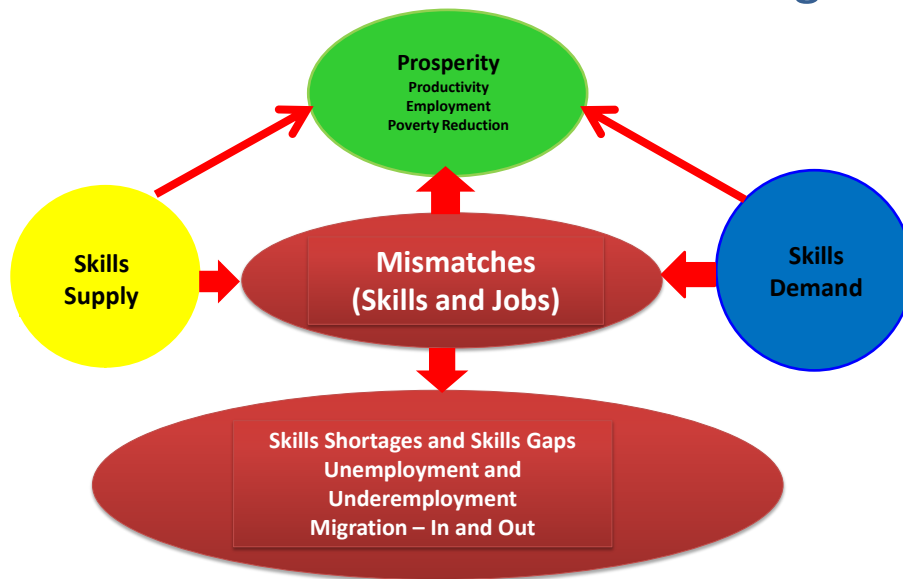
Proposals:

1. Agree a conceptual and empirical **framework** for LMI/Skills Planning.



8

A Framework for Skills Planning



9

LMI Proposals




The issues:

- The value of LMI
- Scope: From 'infinity' to **common sense** and being **policy-driven**
- Purpose/s
- **Information to intelligence**: Analysis, interpretation and research
- **Credibility** is key

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LMI Proposals

Proposals

2. Agree the **systematic framework** of data, sources and LMI products. 
3. Establish, under the auspices of the 'Unit', a **portal/skills panorama** to provide 'one-stop' availability of LMI to users. 
4. Produce a **biannual report** on the supply of demand for skills and the mis-matches between them based on the agreed framework. 

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LMI Proposals

5. Produce an annual brief '**skills scorecard**' on the key skills metrics. 
6. Produce an annual skills shortage/occupations in high demand **priority list**. 
7. Undertake, and incorporate into the above bi-annual report from them, the key results:
 - A set of sectoral, occupational and qualification **forecasts** (REAL)
 - An annual national **employer/enterprise survey** on skill needs
 - A tracer study of further/higher education graduates to track **outcomes**. 
8. Establish a **research programme** in order to fill future LMI gaps and analysis. 

12

Key Metrics Scorecard

	Supply	Mismatches	Demand	Augmented Demand
INSIGHT	<p>Workforce qualifications by level (NQF)</p> <p>Provider leavers by level (school, college, university)</p> <p>Provider leavers from VET (by occupation)</p> <p>Participation</p> <p>Progression</p>	<p>Skill shortages</p> <p>Skill gaps</p> <p>Unemployment</p> <p>← Under-employment →</p> <p>Migration</p> <p>Gap analysis</p> <p>Returns/premia to quals and other skills</p> <p>← Employment rates by level/subject →</p> <p>← e.g. graduates; VET leavers →</p>	<p>Jobs: Employment levels by occupation</p> <p>Vacancies</p> <p>Earnings</p>	<p>e.g. Benchmarks;</p> <p>major policy initiatives</p>
FORESIGHT	<p>- Trends as above</p> <p>- Projections of above</p>	<p>- Trends as above</p>	<p>- Economic/Labour market forecasts</p> <p>- Drivers of change</p> <p>- Scenarios</p>	<p>- Modelling</p> <p>- Pipe-line analysis e.g. Govt. Plans; SIPs</p>

In all cases include: (1) **Stocks** (levels) and **Flows** (change/trends); (2) **Bench-marking** 13

Applying the Framework with sectors, occupations or provinces: an example

SUPPLY	HIGH	Mismatches <ul style="list-style-type: none"> • Unemployment • Under-employment/ over-qualification • Out-Migration 	High Skills Equilibrium
	LOW	Low Skills Equilibrium	Mismatches <ul style="list-style-type: none"> • Skill Shortages • Skill Gaps • In-Migration
		LOW	HIGH

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Using LMI for Skills Planning


The issues:


- Resource **allocation**
- Transparency
- Dissemination
- Influence
- LMI-based **tools and mechanisms**
- **Agents** of change

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Using LMI for Skills Planning

9. Targeted **dissemination** of products focused on audiences and user segments: education/training providers; employers; learners; careers advisors; public agencies; immigration authorities. 

10. Develop an '**intervention grid**' to identify the relevant tools for use with key stakeholders, in order to secure maximum **influence and impact**. 

11. Consider the establishment (or redevelopment) of appropriate **sectoral and provincial partnerships** to secure the national agenda at these levels. 

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A skills intelligence based 'intervention grid'

Mechanism	Information	Transparency	Signals	Guidance	Targets	Incentives	Funding	Regulation	Direction	Behaviour
Agent										
Providers										
Learners										
Workers										
Employers										
Businesses										
Consumers										

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The Foundations

The issues:

- From influence to **stakeholder engagement**
- Building **trust, accountability and relationships**
- **Institutional arrangements**, governance and accountability
- **Capacity building**

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The Foundations

Proposals:

12. Set up a **cross-government**, DHET-led, **task force** to co-ordinate information available on skill needs.



13. Establish **the core institutional mechanism** with the appropriate ToR, institutional base, locus and structure, to pursue, develop and implement the skills planning mechanism agenda.



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The Foundations

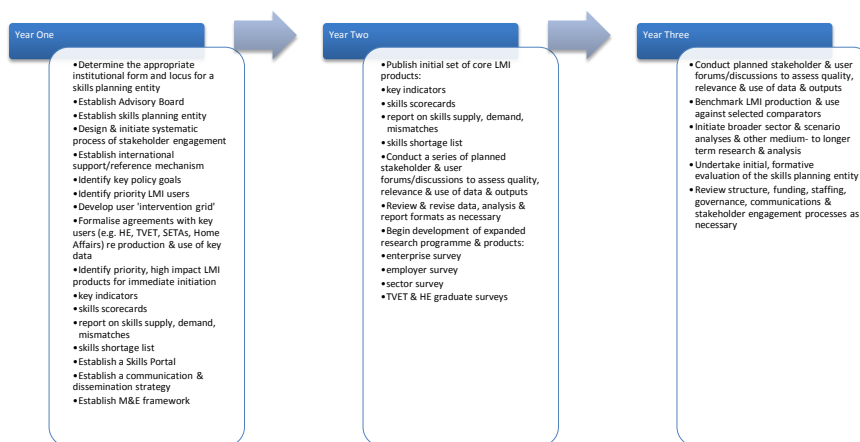
- Establishing the institutional mechanism – key considerations:
 - Building of **trust and relationships**
 - Political and stakeholder **support and engagement**
 - Managerial, professional and technical **leadership** and competence
 - **Agility** and **independence**
 - **Partnerships** and **networks**

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Institutional form and location

- **Options** to be evaluated against above considerations/
criteria:
 - A unit within the Department of Higher Education and Training
 - A unit linked to, for example, the Human Resources Development Council or National Planning Commission
 - A public entity (current example: the Council on Higher Education)
 - A Joint Programme of government (example: the Expanded Public Works Programme)
 - A government 'component' linked but external to DHET, with an advisory board, established in terms of the Public Service Amendment Act (No. 30 of 2007)
 - A 'specialised unit' with an advisory board, within DHET, established in terms of the Public Service Amendment Act

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The Foundations

14. Set up stakeholder-based, employer-led, **advisory board** to direct the work of the 'Unit.'



15. Appoint **international expert/reference group** to keep the 'Unit' abreast of global good practice and act as a critical friend.



16. Establish '**memoranda of understanding**' with OECD, ETF and working relationships with other national/international bodies including: UKCES in UK, SOLAS in Ireland, and NCVER in Australia.



17. Put in place appropriate **monitoring and evaluation** arrangements to keep the system under review.



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The Outcomes

Issues:

- Skills planning: What will be the **impact**?
- How will we know if we are succeeding?
- Lessons from Phakisa
- Skills **outcomes**
- Economic and equity outcomes

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The Outcomes

Proposals:

18. Establish, parallel to the Skills Planning mechanism, an agreed cross-government set of measures of **economic and social progress** to which skills planning and development contributes, to include:

- Employment
- Productivity
- Poverty reduction



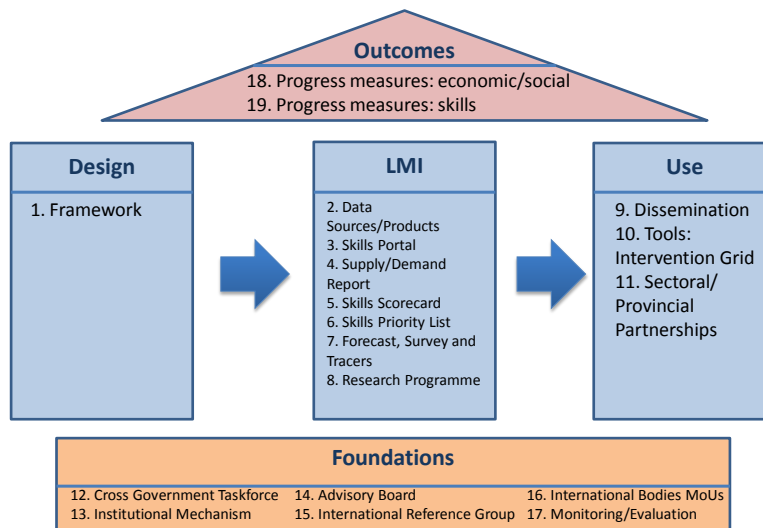
19. Establish a key set of measures of **skills progress** in terms of desired outcomes, to include:

- Supply e.g. % qualified at each level in 2025 cf. 2015
- Mismatch e.g. level of skills shortages
- Demand e.g. % high skill jobs.



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A skills planning system



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Next Steps

- **Your input** today
- **Reflect** on workshop
- **Ministerial** meeting
- **Final report**
- ?

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Skills Planning Mechanism Workshop

#	Proposals – Design/Outcomes	RAG	Essential	Desirable	Not Required
1	A Framework	A	x		
18	Progress Measures: Economic/Social	G/A	x		
19	Progress Measures: Skills	A	x		
?					
Proposals - LMI					
2	Data Sources and Products	A	x		
3	One Stop Skills Portal	R	x		
4	Supply and Demand Report	R	x		
5	Skills Scorecard	R	x		
6	Skills Priority List	G	X		
7	Forecast, Survey and Tracer Studies	R R R	X X X		
8	Research Programme	G	X		
?	Products must have value-add for business				

Skills Planning Mechanism Workshop

#	Proposals – Using LMI	RAG	Essential	Desirable	Not Required
9	Dissemination	R	x		
10	Tools: Intervention Grid	R	x		
11	Sectoral and Provincial Partnerships	A	X		
?	Parents, quality councils important				
	Proposals - Foundations				
12	Cross Govt Taskforce	A	X		
13	Institutional Mechanism	R	X		
14	Advisory Board	R		X	
15	International Reference Group	R			X
16	MoU with International Bodies	A		X	
17	Monitoring/Evaluation	A	X		
?	Stakeholder engagement	R	X		
	Capacity, institutional resources	R	X		
	Legislation, regulation, policy	A	X		

