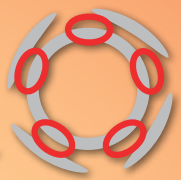

LABOUR MARKET INTELLIGENCE PARTNERSHIP

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UPDATE 2014

Contents

The Labour Market Intelligence Partnership is a collaboration between government and a national research consortium that aims to build a credible institutional mechanism for skills development in South Africa.

The LMIP proposes to:

ADVANCE information and knowledge of the post-school education and training system in relation to economic development and growth

BUILD labour market intelligence to inform strategic planning and interventions

DEVELOP future research capacity in the areas of education and training, skills development and labour market analysis

ENHANCE the institutional capacity of DHET and its stakeholders to gather and interpret labour market information

CREATE a community of practice through dissemination activities with policy-makers and researchers

The Department of Higher Education and Training (DHET) contracted the Human Sciences Research Council (HSRC) to lead the research consortium in support of the goal of developing a mechanism for skills planning.

LABOUR MARKET INTELLIGENCE PARTNERSHIP

Our greatest resource is our people. The ultimate goal of education must be to enable everyone to reach her or his full human potential. But education and skills are also needed if we are to grow the economy and contribute to decent work for all.

To achieve this, we need a better match between the skills that we produce in our colleges, universities and training institutions, and the demands of the labour market. We need labour market intelligence, and reliable, up-to-date labour market information, as well as better information on the outputs of the education and training system and labour market outcomes. And we need effective skills planning.

Skills planning is a central commitment of the recent White Paper on Post-School Education and Training, and the focus of the Labour Market Intelligence Partnership. This report outlines the work that has been undertaken over the past twelve months, and makes clear the contribution that the LMIP has made and is making to the development of a robust and effective skills planning mechanism.

The work is important, and the Department is already taking the agenda forward. The LMIP has played a vital role in laying the foundations, and the Department looks forward to its final reports and recommendations.

Mr Firoz Patel
Deputy Director-General
System Planning
Department of Higher Education and Training

In the global economy it is important to understand the types of education and skills required to support societal development and a productive and inclusive growth path.

Since 1994, there have been efforts to plan for skills needs, but these efforts were fragmented and the performance of this skills planning mechanism was imperfect. Government priority outcome 5.1.1 is to 'establish a credible institutional mechanism', and thus highlights the importance of the research conducted by the Labour Market Intelligence Partnership. This investment to establish a credible skills planning mechanism for South Africa is important for the following reasons:

(i) It will provide a better understanding of the supply and demand for intermediate and professional level skills;

(ii) It will provide credible information to direct government resources at those skill areas where people are likely to get employment and thus tackle unemployment;

(iii) It could support government's economic development strategy and target resources to areas where skills and training are most in need and thus tackle skills shortages; and

(iv) It could improve South Africa's competitiveness and support improved social cohesiveness, as well as contribute to poverty alleviation.

The LMIP conducted a number of research studies to understand, in greater depth, the supply and demand for skills and the extent to which supply responds appropriately to demand. Our research studies, both quantitative and qualitative, focused on institutions and individuals and ways in which they could be connected. Our approach was that we needed to build on, adapt and consolidate what we already have, rather than starting afresh. We reviewed past South African and international practices and drew out lessons that could be applied to the proposed skills planning mechanism. We had extensive engagements: firstly, with the relevant directorates in the Department of Higher Education and Training; and then, through a series of policy roundtables, with other government departments, SETAs, academic institutions, business and professional organisations. These policy roundtables were a useful forum to share and, through robust engagement, to strengthen the research.

The LMIP research uses the term 'skills' to refer to all types of post-school education and training activities. We recognise that education and skills for society and citizenship development are equally important dimensions for building our education and skills planning and development strategy. The LMIP focus is on skills for the economy.

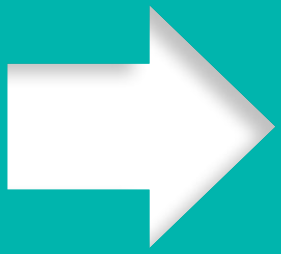
Establishing a credible skills planning mechanism will take time and will require a significant investment of both human and financial resources. We hope that the LMIP contribution is to lay a solid foundation for this process. In LMIP Update 2014, we share the emerging findings. These findings are derived from comprehensive research studies and these reports are (or will soon be) available on our website (www.lmip.org.za). Our research progress can be followed on the social media (Twitter: @LMIP_RSA).

The first section of LMIP Update 2014 outlines the contours of the credible skills planning mechanism. In this section we draw from our research studies related to designing the architecture for the mechanism, the functions and location of the mechanism, a methodology to establish a scarce skills list, an audit of government administrative datasets and an analysis of the skills needs for the New Growth Path strategy to be effective. The second section reports on emerging findings from the in-depth research to provide labour market intelligence. We highlight the significance of coordination, networks and building partnerships and linkages between firms and post-school education and training organisations, for effective skills planning. We show how the shifting nature of work changes artisanal occupations and how the shifting identities that result can impact on artisanal graduate production to meet scarce skills needs. Thirdly, we provide an update of LMIP work to strengthen the research-policy nexus. Finally, we propose a set of high-level policy recommendations for skills planning, based on the evidence of our research at this point in time.

We would like to thank DHET and the partnership in this research journey for the constructive and robust engagements in the research-policy nexus.

Dr Vijay Reddy
Executive Director
Education and Skills Development
Human Sciences Research Council

The contours of a credible skills planning mechanism



The LMIP recognises the skills planning mechanism as both a process and a structure.

We conducted a number of studies to establish:

- What data and information needs to be collected for a Labour Market Intelligence System?
- What decision-making processes should be in place to prioritise skills development programmes?
- How do we deal with skills shortages?
- Who should be responsible for skills planning?
- What do we know about the quality and integrity of data needed for skills planning collected by government departments and other agencies?
- Using one of the LMIP research case studies, we propose that growth strategies (both government and business) need to undertake a 'skills costing'.

We understand the Labour Market Intelligence System (LMIS) as the technical process associated with the collection, collation, analysis and dissemination of information. Skills planning refers to how labour market intelligence is utilised to inform decision-making processes at the national, sectoral and occupational levels. The skills planning mechanism then covers the institutional structures for informing and undertaking the planning process, as well as the wider political economy and how this influences decisions on how resources are allocated for skills development.

The current skills system is primarily supply-led, determined by individual learners and education and training providers. We propose that a developmental state model should underpin South Africa's skills planning approach. Secondly, economic priorities should play a more significant role in driving the skills agenda. Thirdly, key partners should play a role in determining how supply and demand are managed, particularly in identifying what skills are in demand and making decisions over how resources are invested in skills development. This means a dialogue is necessary among government departments responsible for economic development, trade and industry, and education and training, to ensure that industrial policy and growth strategies are translated into skills needs. The adoption of a more coordinated approach (joined up) among government departments and other key role-players will ensure a more pro-active and strategic approach to identifying skills needs, and enhance the responsiveness of the education and training system.

The LMIP proposes an integrated economic approach to education and skills planning. This approach will encompass:

- improved levels of education and training for the population;
- improved workplace skills training; and
- emphasis on a demand-driven approach to planning in which strategies for skills development (both professional and intermediate) are aligned to policies for industrial development growth strategies.

Data and information to produce labour market intelligence

For effective skills planning we need valid, relevant, credible and up-to-date information on skills and the labour market. An effective LMIS will collect and collate data on supply, current and future demand.

Supply-side data would be obtained through analysis of the following sources: the Higher Education Management Information System (HEMIS) and the Technical and Vocational Education and Training Management Information System, private post-school education and skills development providers, analysis of the skills set of the unemployed and those allocated work-permits; and workplace training data.

Demand-side data collection and analysis is more complicated, and has been a major focus for the LMIP. Demand-side data would be obtained from an analysis of job

Figure 1. Data and information for the Labour Market Intelligence System

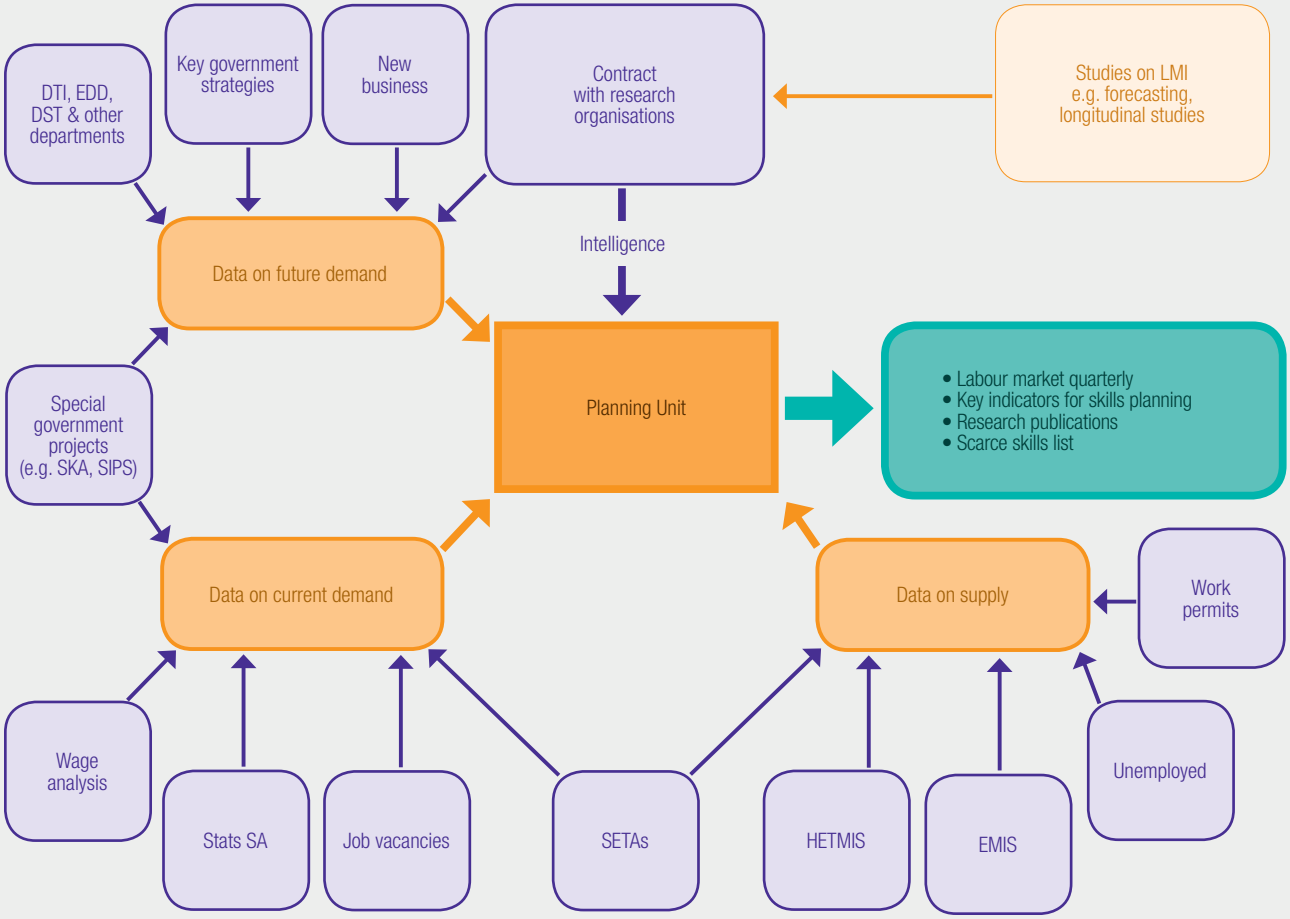
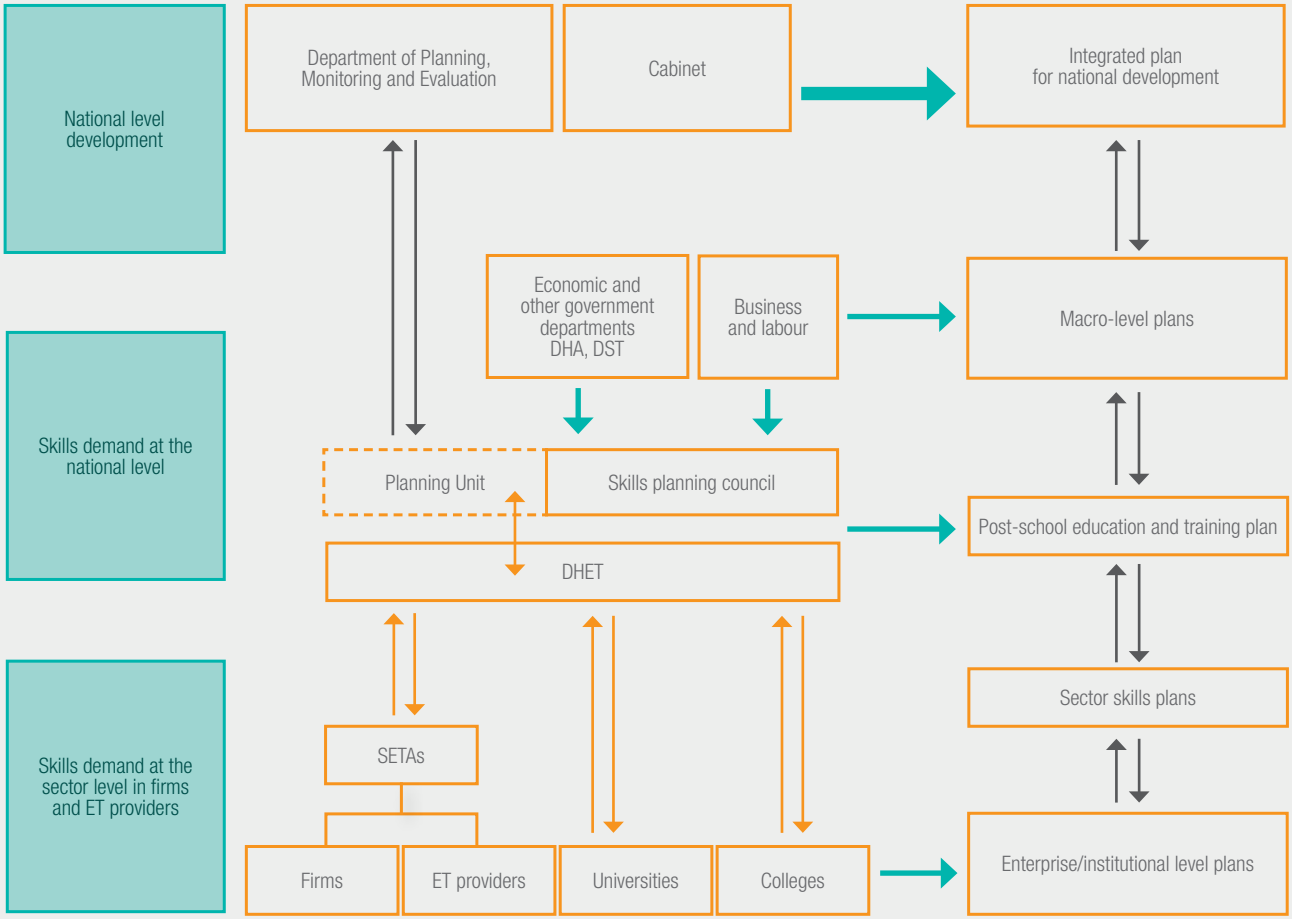


Figure 2: Processes for making the skills planning decisions



vacancies, SETAs workplace skills, plans, and analysis of data from Statistics South Africa on the occupational structure of the labour market. The key government skills-biased growth strategies and new businesses will be analysed to determine the skills needs.

Decision-making processes and structures for skills planning

Figure 2 outlines the proposed new mechanism for planning, the relationships between components and the types of plans that will be produced. The proposal is for a top-down and bottom-up approach to the skills planning process.

At the top of this planning mechanism will be the National Planning Commission (NPC) and Cabinet. The NPC has produced the National Development Plan and it can be expected that the Planning Commission, through the Department of Planning, Monitoring and Evaluation (DPME) could be responsible for developing a more integrated plan, ensuring that there is more coordinated or 'joined up' thinking among government departments.

At the national level the Planning Unit, with the Skills Planning Council, will play an important developmental role, particularly around tracking major changes implemented by other government departments, as well as other changes in the economy, and in identifying their implications for skills development. The core of the planning process will continue to be focused upon the SETAs, universities and technical vocational education (TVE) colleges that would be focused on managing supply and demand at the sector level.

How can the skills planning mechanism be used to identify skills shortages?

The success of a skills planning mechanism is determined by the extent to which the match between supply and demand is achieved. The subject of scarce skills is debated in the policy arena and media, and the extent of the skills shortages facing South Africa is enormous. The scarcity of skills is a constraint on business operations, causing bottlenecks in production and difficulties in service delivery.

Estimating which occupations are in high demand is complex and there is a limited consensus over which sets of occupations are and which are not in high demand. Part of the problem is that until recently there was no common understanding of what is meant by the term 'scarce skill' or how to calculate which occupations are scarcer than others.

A 'scarce skill' is defined as a situation in which the demand for a specific occupation outstrips the supply for this occupation at a specified price (or wage). The scarce skill occurs in the external labour market where people search for jobs and employers attempt to recruit the appropriate qualified person for positions which are vacant.

'Critical skills' refer to the demand for a skill within the internal labour market of firms, and is primarily concerned with the skill or competencies that a worker needs to perform her job in the light of recent changes in her job description/requirements/tasks, introduced by new technologies, innovative management practices or legislative reforms.

The method and approaches used to collect data for the scarce skills list

The LMIP recommends the Skills Planning Unit prepare a Scarce Skills Report (rather than a list) with the shortages for short, medium and long term identified. This report would form the basis for a Department of Home Affairs list of occupations informing the identification of foreign visas; Department of Higher Education and Training lists of which education and training programmes are prioritised for which scarce skills, to provide direction to student study choices.

The data collection process to establish a scarce skills list will consist of interconnected phases. Each of these phases will have a number of specific activities associated with

data collection or analysis (Figure 3). Phase I is primarily concerned with understanding the nature of demand and supply of skills, thereby providing the basis for producing the draft scarce skills list (i.e. those occupations in high demand). Together the demand and supply data must be collated and analysed to produce a draft list of occupations that are in high demand. It will also be important to differentiate between those skills that are temporarily in high demand and those expected to remain in high demand for a long time. These lists will provide the basis for Phase II, namely construction of the scarce skills list.

Within Phase II the two draft lists will be circulated to employers, SETAs and other stakeholders for consultation. These groups will be provided with the opportunity to add or delete an occupation, provided that they have hard evidence to validate their reasons for changing the list.

Phase III is the final confirmation of the list of occupations that are in high demand, both in the immediate or short term and also over the medium term. The responsibility for the finalisation of this list will rest with the Skills Planning Council, which should contain representatives from employers and professional groups, trade unions, and key government departments.

Who should be responsible for skills planning?

The White Paper for Post School Education and Training (2013) proposes a Centralised Skills Planning Unit. The LMIP research also proposes that such a structure be responsible for skills planning in South Africa – we recommend it be called the Centralised Skills Planning and Intelligence Unit (CSPIU). The larger and more complex decision is where the CSPIU should be located. The core roles of the CSPIU are to understand supply and demand of skills, while also supporting improved decision-making processes regarding the allocation of resources for skills development. The CSPIU requires a location with critical authority to get synergies and cooperation among the government departments to make decisions.

Two important considerations should be taken into account. First, the organisation responsible for the unit should be politically strong, given the cross-departmental nature of the implementation of strategies. Second, the department should have the appropriate capacity to ensure that the data collection and analysis functions of the unit are undertaken effectively and efficiently. The LMIP recommends that the Department for Higher Education drive skills planning in the country and thus the CSPIU be located in DHET.

To be effective, the CSPIU staff must have labour market economics and skills planning expertise and experience.

Audit of administrative datasets

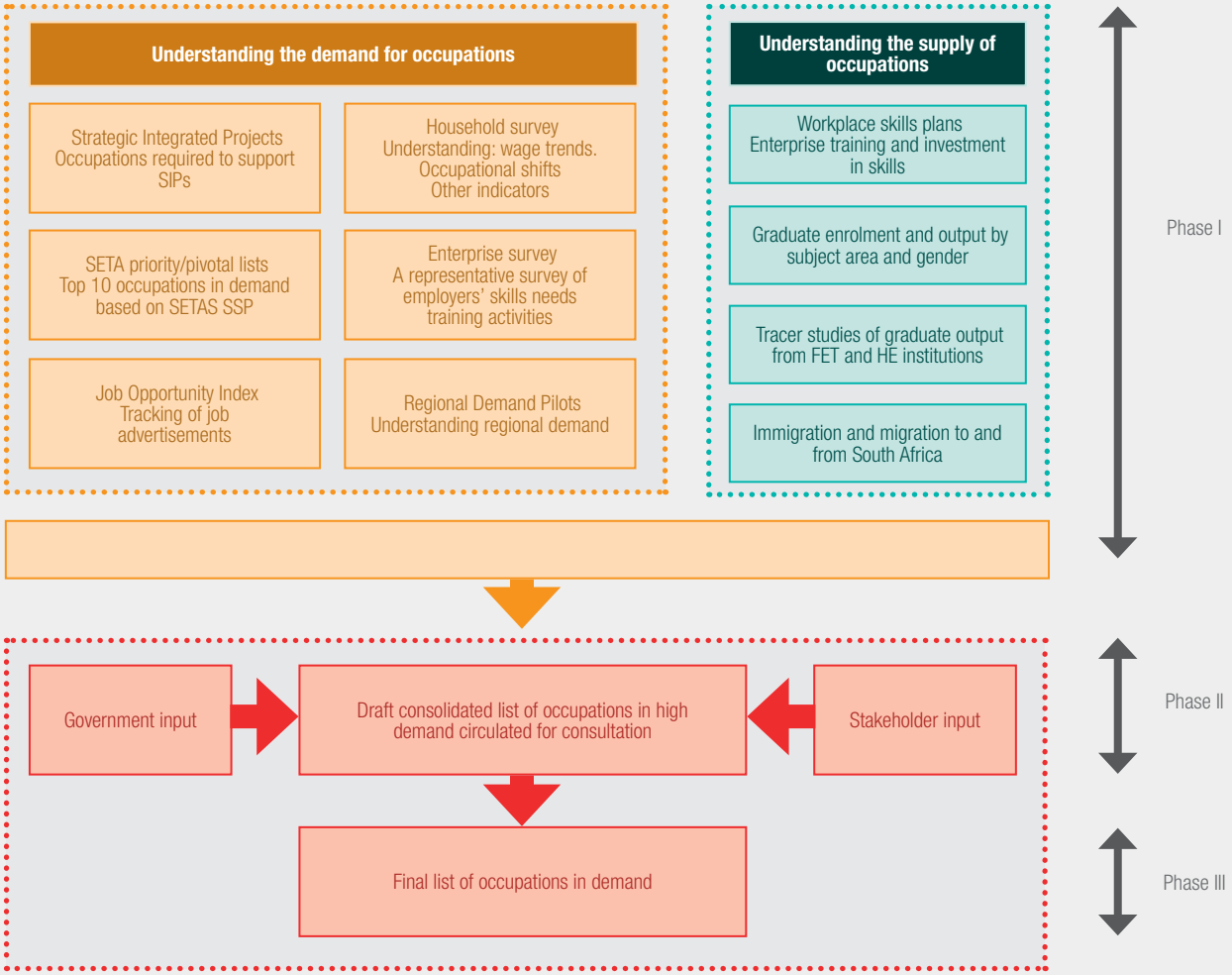
The LMIP conducted a high-level strategic audit of administrative databases across all government departments. The aim was to identify a selection of relevant and high quality datasets that can be coordinated and linked into a database system to support more sophisticated labour market intelligence and analysis. The research includes the identification of technical platforms and data formats for interfacing and facilitating data exchange between partner institutions. Databases were categorised in four ways in terms of their relevance and usability:

(i) relevant and immediately usable datasets, such as the Quarterly Labour Force Survey, Quarterly Employment Survey and General Household Survey from StatsSA;

(ii) highly relevant and require some preparation datasets, such as the Unemployment Insurance Fund database from the Department of Labour;

(iii) contain relevant variables but are *currently undergoing validation and cleaning* before they can be utilised, such as the population register in the Department of Home Affairs;

Figure 3: An outline of the main phases involved in the collection and analysis of data to produce a list of occupations that are in high demand



(iv) early stage of evolution and require further development before they can be used, such as a new farmer database in the Department of Agriculture, Fisheries and Forestry. These databases represent important intelligence resources, and DHET should actively work to enhance the development and sharing of datasets across government departments to inform skills planning. This research plays a key role in supporting and strengthening the information value chains, and will be a path-breaker in achieving 'joined-up government' from the perspective of data sharing.

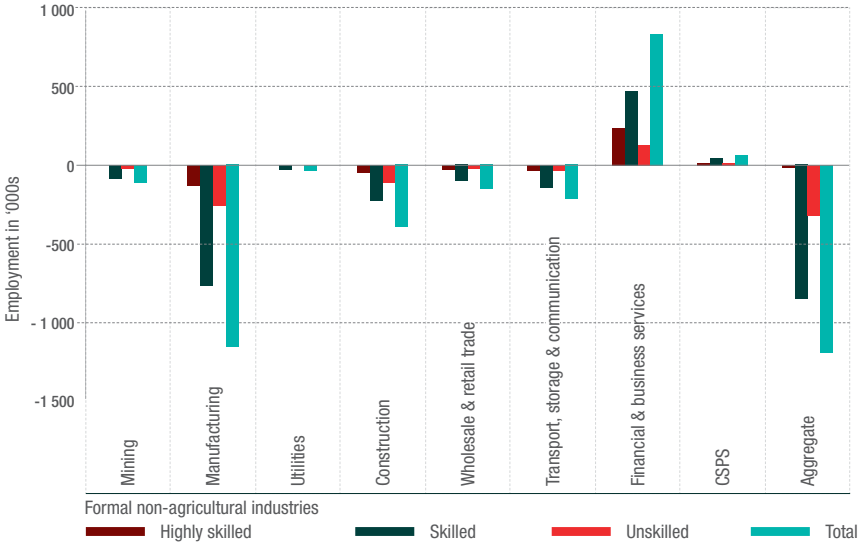
Harmonisation (or not) between economic and skills policy: The case of the New Growth Path

The New Growth Path strategy for economic growth proposes a structural shift in employment growth from tertiary to secondary sectors of the economy, with an emphasis on manufacturing as a key employment generator. Tracking historical shifts in employment, our research indicates the variability in employment growth across different sectors of the economy, with the tertiary sector continuing to be the largest employment-generating sector. The analysis indicates a disjuncture between employment target projections set by the NGP, and current trends and employment growth. Over the eight year period under review, from 2004–2012, the ability of the manufacturing sector to produce employment was almost 'negligible'.

Moreover, the employment targets set in the NGP do not indicate the underlying skills requirements necessary for the employment creation envisaged. Disaggregating sectors by skills levels, the study found a skills gap for skilled and highly-skilled workers and argued that under current economic growth trends, current skills shortages will be deepened in all the industries except for Financial & Business Services and Community, Social & Personal Services. Thus, the targets and skills profiles set in the NGP are not feasible.

These findings have direct implications for education and training provision, particularly for the vocational system, where the skills for the intended sectors of employment growth should be prioritised. The study further highlights the importance of identifying skills needs and aligning skills supply for the successful implementation of an economic growth policy.

Figure 4: Skill gap in 2020 according to NGP forecasts



Research to provide labour market intelligence and support the development of a credible skills planning mechanism

The sectoral nature of our economic growth trajectory: Three observations

The DPRU broadly studied the relationship between sectoral growth patterns and their skills implications within the South African economy. Thus far, three research reports have been produced, namely: *Occupational Shifts and Shortages: Skills Challenges Facing the South African Economy; Higher Education, Employment and Economic Growth: Exploring the Interactions* and *Growth, Employment and Skills: The New Growth Path Revisited.*

The research highlights five key trends that inform skills planning at the macro level:

- There was a collapse in primary sector employment and lacklustre employment growth in the Manufacturing sector. This has been driven by the declining or stagnant shares of GDP in Agriculture, Mining and Manufacturing. It is crucial to note that not a single fast-growing developing economy has managed to be successful without a dynamic, export-orientated light manufacturing sector. Such a sector is absent in the South African economy. What we have instead is a heavy, capital-intensive manufacturing sector, which is neither job-generating nor skills-enhancing.
- Instead, our growth and employment trajectory since 1994 has been built on a rapid rise in the share of GDP in financial and business services and to some extent consumption and service-orientated sectors. Ultimately, the public sector is a growing source of employment, whilst a dominant source of private sector employment has been through temporary employment services – more colloquially known as labour brokers.
- The upshot from this unbalanced growth and employment trajectory has been a continuation and reinforcement of South Africa's skills-biased labour demand trajectory. This trajectory and pattern of skills demand has been ongoing since the 1970s. The data for the period since 2001 suggests that there are uneven employment gains in high- and medium-skilled occupations, at the expense of less-skilled workers.
- Into this particular growth and employment trajectory the New Growth Path policy document sets out a series of job targets across a range of sectors for the society to achieve. Crucially, this NGP is essentially a document based on attempting to suggest a radical structural transformation of the South African economy. This structural transformation is to be viewed through the target of the NGP to increase the contribution of manufacturing jobs from 14% of total employment to 21% by 2020. In the different scenarios set out by the NGP, it is clear that this is a growth trajectory designed around trying to engender a more dynamic and dominant manufacturing sector for the South African economy. In terms of the skills implications, the NGP targets suggest that by 2020, there will be a skills shortage of 1.2 million jobs: 860 000 skilled workers, 330 000 unskilled workers and 13 000 highly skilled workers. This shortage will be almost entirely accounted for by the Manufacturing industry, should the sector's employment and growth targets be met.
- Finally, evidence from growth theory and empirical work around the world suggests that human capital investments should contribute positively to output growth. We thus ran a similar Cobb-Douglas production for South Africa over the post-apartheid period. Our evidence suggests a stark result though: that when we categorise employment by skill levels – where skills are measured by the levels of education of the workforce – it is only workers with a higher education degree who have generated significant and positive returns to economic growth. Of particular interest and concern here is that these results suggest that the FET system is an insignificant contributor to economic growth, as are all other forms of schooling.

Capabilities, interaction and responsiveness of the post-school sector

This research contributes to a skills planning mechanism by providing intelligence on how firms and post-school education and training organisations can work together more effectively.

A key project maps skills development networks, and the knowledge and skills flows from education and training organisations in response to firms' current and future skills demands. To provide insight into how PSET organisations respond to firms' skills demands, we research the competences and interactive capabilities of all the public and private organisations active within a sectoral system of innovation. Three case studies focusing on a sector within its regional context were studied: sugar growing and milling sector in KwaZulu-Natal; tier 1 automotive suppliers in the Eastern Cape; and astronomy and the Square Kilometre Array. The cases also provide data on the strategies and mechanisms firms use to address their skills needs, in the context of global and local challenges of technological upgrading.

The case studies highlight the economic challenges currently faced in each sector, which require new kinds of skills development. Hence, meaningful skills planning requires a contextualised analysis of routine skills needs, but more significantly for economic and social development, of the shifting skills needs required for growth, competitiveness and inclusion. Comparative analysis allows us to identify emergent trends that can be grown and strengthened across the organisations of the post-school system more widely. For example:

- Sectoral intermediaries play a core role in sector-specific skills development, particularly skills upgrading, to build on the basic qualifications provided by universities and TVET colleges. Possible areas for intervention include funding support to sectoral intermediaries, and enhancing the capabilities of SETAs to play their roles as brokers between industry, government and PSET organisations.
- In public higher education and TVET colleges, existing mechanisms to promote graduate employability development, placing students in firms as interns and involving firms in course design and review can be up-scaled and extended to more departments in more universities, universities of technology and colleges.
- The critical role played by individuals, informal exchange and tacit knowledge in building strategic partnerships with firms points to a critical means of encouraging interaction, and hence, the need for institutional support to academics, lecturers and managers in terms of time and funding.

The research provides intelligence on how to implement skills plans and improve the responsiveness of education and training organisations that have their own distinct priorities and goals. Such intelligence is essential for targeted policy interventions to develop institutional capabilities and to enhance differentiation, complementarity and coordination in the post-school education and training system.

On a more pragmatic note, we propose that the conceptual framework and research design developed can be packaged into manuals for use by higher education, TVET colleges or SETAs, to assess and improve their current levels of interactive capability. For example, SETAs could use the proposed research framework, design and instruments to inform the development of their Sector Skills Plans (SSPs). Similarly, higher education and TVET colleges could use the manuals to inform their strategic planning.

A second, related project that focuses on curriculum and graduate employability can provide insights into the sectoral dynamics

of skills development at a meso and micro level. Emergent trends reveal a significant commitment to skills development and training, including employers who commit substantial resources towards training. Many employers highlight the impact of increasing mechanisation, with attendant skill requirements associated with overall shrinking demand for total number of workers and, in particular, lower-skilled workers. Such evidence confirms the trends highlighted by LMIP macro-economic research, on the effect of changes in technology on the labour market and skills development. Case studies suggest the need to strengthen partnerships between universities of technology, FET colleges and employers in sector- and industry-specific ways, but equally, the need to allow for diverse forms of collaboration.

As the research into the alignment of labour market demand and PSET supply proceeds, it can provide nuanced conceptual, methodological and practical insights for a CSPIU.

Understanding changing artisanal milieus and identities

A skills shortage long identified for policy attention is the production of artisans. The LMIP team argues that we have been unable to address key issues hampering the increased output of quality artisans. This is because of a limited understanding of the context within which artisanal skills development and practice is taking place – historically, in terms of changing occupational structures, and in terms of changing knowledge and skills bases. Simply establishing the scale and patterns of artisanal skills shortages will not inform skills planners how to increase quality artisanal skills production in the country. A set of three interlinked and complementary research projects build on each other to further our understanding of the changing nature of artisanal milieus and identities, each from a distinct vantage point: at macro, meso and micro levels of analysis.

At the macro level, we have undertaken a historical analysis of the development of technical and vocational training in South Africa and how this is influenced by shifts in the political economy of the country over time. The LMIP report *Towards Understanding the Distinctive Nature of Artisan Training: Implications for skills planning for South Africa* indicates that, for the future success of an artisanal system in the country, it is important to acknowledge the complexity of the historical processes and the power of associated discourses underlying systems of skills production. It is equally critical to evaluate the macro-economic realities and possible trajectories as parameters for considering desirable and possible policy interventions for future skills planning.

With a meso-level focus, we study the shifting boundaries between professions and occupations, interrogating the milieus and labour markets of three selected artisanal occupations (mechatronics technician, electrician and millwright), and related high-status professions. The investigation reviews the current and changing conditions associated with the practice of a particular trade, and how these shift in relation to the changing nature of artisanal work and the conceptions of related professions.

Three case studies interrogate such questions in relation to three artisanal trades undergoing different facets of change with implications for boundaries. One is a new and emerging multidisciplinary field of practice recently recognised as an artisanal trade (mechatronics), the other a traditional artisan trade having to function in new technology-driven work contexts (electrician), and the third a high-status artisanal trade spanning

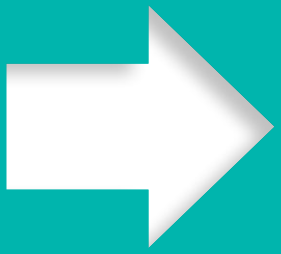
at least two traditional fields of practice (millwright). The emerging findings cast light on the boundary work of high-status and intermediate-level occupations, highlighting the bases upon which occupational groups contest boundaries.

The emerging findings highlight implications for the collections and levels of skills and tasks associated with an occupational category. These are critical aspects for skills planning in specific fields of practice and in relation to different sectors/labour markets, especially if planning will be done based on occupational categories.

To investigate change at a micro level, we study changing knowledge bases in relation to the shifting nature of artisanal work and identities, focusing on changing knowledge, skills and competences. The research uses knowledge bases as the entry point of analysis of the change in the nature of artisanal work and skilling, in relation to focus artisanal trades (mechatronics, film-making, baking and boat-building). The emerging findings are:

- Changes in occupational milieus are produced primarily by shifts in the market destination of products. This impacts significantly on the division of labour and expertise required in a sector and sometimes even in the same production plant.
- A deepening of the knowledge base of artisanal work is evident. The shift is both perceived and actual.
- The co-existence of a deepening of the knowledge base and standardisation are simultaneous trends that are changing the form and nature of work.
- A return to, or a new emphasis on, craft models of work is an emerging trend across sectors with implications for labour market entry.

The research-policy nexus in operation



Research capacity-building through a bursary programme

The LMIP provided 13 Labour Market Research Scholarships for honours and master studies in the areas of skills planning and labour market analysis for 2013–2014. To date, seven students graduated and six more are expected to graduate at the end of 2014.

Reflection on the LMIP bursary scheme:

'I completed my masters in Population Studies at the University of KwaZulu-Natal. I particularly enjoyed the practical nature of Demographic Methods and Research Methodology, both of which sharpened my quantitative and measurement skills. The HSRC bursary has provided tremendous financial support during my masters. With the funding I was able to work full time on my dissertation, pay outstanding tuition fees, and sustain myself. Not only has this bursary assisted me financially but it has also provided the assurance that institutions and various stakeholders have identified and are investing in research around education, skills development and training, which is crucial in South Africa. Being awarded this bursary has had a substantial intrinsic effect on my morale, motivation and determination to produce a fulfilling piece of work that can hopefully inform decision-making in this field.'

Preston Govindasamy, Bursary Holder, 2013

Structured learning sessions with DHET and SETAs

A central part of the LMIP is to build the capacity of stakeholders to promote the sound interpretation and use of labour market information and intelligence. The inaugural workshop in February 2013 focused on concepts, methods and orientations towards LMIS. The second workshop, in September 2013, sought to strengthen the technical skills of participants to gather labour market information from multiple sources. 70 participants attended each workshop. Presenters were from the University of Cape Town, the University of the Witwatersrand and Statistics South Africa.

Research communication

Strategic and focused communication of research findings is key to enhancing the flow and uptake of evidence and to consulting our stakeholders and partners about the proposals for a labour market intelligence system and the skills planning mechanism. The multi-stakeholder relevance of the LMIP – to government, the private sector and other political-economic stakeholders – has been facilitated through an active research communication programme that has utilised a range of different approaches and formats to enhance researcher–policy-making interaction and to ensure knowledge sharing, capacity enhancement and sensitisation to cutting-edge, policy-relevant research.

The centrepiece for communication of the research is the project website, a platform for information sharing and storage http://www.lmip.org.za. The website is a simple and user-friendly portal to access LMIP output – from reports, articles papers and theses to government publications and more. Users can obtain information on events and activities through the portal. In addition the website houses a repository of 'grey literature' on skills development and labour markets, research that is not easily available in the public domain. Research reports are sourced from SETAs, government departments and research agencies, as well as post-graduate student dissertations. The aim is to disseminate previously under-utilised research. The repository holdings are indicated on the following page.

Type of output	Total
Reports	81
Articles	18
Papers	47
Theses	64
Government publications	3
Books	10
Presentations	19
Total	242

LMIP Research repository holdings as at October 2014

The LMIP online presence extends beyond the website and uses the micro-blogging site, Twitter, (@LMIP_RSA) as an important, real-time resource to disseminate project news and information.

Policy roundtables provide a space for critical engagement on policy-relevant issues that inform the shape and functioning of the skills planning mechanism. Four policy roundtables were held in 2014, each structured around a strong evidence base and including perspectives from a range of experts and stakeholders to deepen debate. Research documents, presentations and reports on the main themes and issues discussed at each of the roundtables are lodged on the LMIP website. The roundtables served as opportunities to identify implications for skills planning and labour market intelligence.

Policy roundtables in 2014

Supporting these policy engagements was an active LMIP seminar series co-hosted with the HSRC. The seminar series provided a platform to present research findings and obtain critical feedback and review from stakeholders in the government, policy and academic spheres. The seminars enhance the quality of the evidence base that the LMIP contributes to the development of the skills planning mechanism, and promote relationships across the research and policy spheres. A full list of seminars is provided on the following page.

LMIP seminars

5 November 2013 Simon McGrath (Nottingham University) 'Skills for Work and Life: Towards a transformative approach'

11 June 2014 Nhlanhla Mbatha (University of South Africa) 'Recent Internal Migration and Labour Market Outcomes Exploring the 2008 and 2010 National Income Dynamics Study (NIDS) Panel Data'

31 March 2014 David Fryer (Rhodes University) 'Informality in the South African Labour Market in Context: Indicators of the limits to evidence-based research?'

8 August 2014 Lesley Powell and Simon McGrath (Nottingham University) 'Exploring the Value of the Capability Approach for Vocational Education and Training Evaluation: Reflections from South Africa'

19 March 2014 Andrew Kerr (University of Cape Town) 'Understanding Labour Demand in South Africa, and the Importance of Data Sources'

27 February 2014 Glenda Kruss and Il-Haam Petersen (Human Sciences Research Council) 'Understanding Interactive Capabilities for Skills Development in Sectoral Systems of Innovation: A tentative framework'

28 October 2014 Volker Wedekind and Sybert Mutereko (University of KwaZulu-Natal) 'Curriculum Responsiveness and Student Employability in VET: Preliminary findings from three case studies'

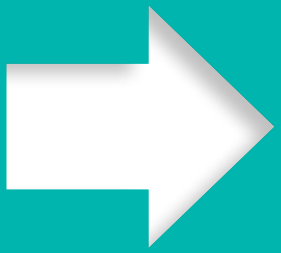
13 March 2014 Adrienne Watson and Volker Wedekind (University of KwaZulu-Natal) 'Reconfiguring the Post-school Sector: Curriculum responsiveness and student employability'

11 March 2014 Angelique Wildschut and Tamlynne Meyer (Human Sciences Research Council) 'Studying Professions in Shifting Occupational Contexts: Exploring the symbolic boundaries in mechatronics'

30 October 2014 Asha Sundaram and Amos Peters (University of Cape Town) 'Skills Mismatch and Informal Sector Participation among Educated Immigrants: Evidence from South Africa'

4 December 2014 Michael Gastrow (Human Sciences Research Council) 'Skills, Innovation, and Interactive Capabilities in the Astronomy Sector: The case of the Square Kilometer Array telescope'

Policy suggestions emerging from the LMIP research



The process of skills planning needs to be coordinated and driven by the Centralised Skills Planning and Intelligence Unit (either within DHET or linked formally to DHET). Relevant data, information and signals around the economy, education and the labour market would be coordinated by the CSPIU. This unit needs to engage very regularly with senior staff at DHET, but in turn needs to be staffed by high-level individuals, who possess analytical and interpretive skills and are able to make sense of the relevant knowledge to generate regularised policy supply and demand signals and direction for DHET. The CSPIU is critical as a knowledge foundation for informing and guiding skills planning in the country.

Skills needs would be informed by the nature and trajectory of economic growth, including government's priority projects and new business, as well as changing dynamics within the workplace. Hence, growth policies and the activities of both routine business and technological upgrading in firms must inform the quality and quantity of programmes in the Post-School Education and Training system.

The data and information needed for the work of the CSPIU would come from available datasets. Research will suggest further variables to be included in existing instruments, and future datasets that need to be generated. Ideally, the CSPIU would interact with Statistics South Africa for education and labour market data.

Enterprise surveys, specifically, SETA labour market surveys, can be institutionalised by legislating for SETAs to run these surveys at regular periods, in order to provide key information to SETAs and the CSPIU.

DHET needs to supplement data analysis with a regular engagement between DHET officials and key individuals in the private sector. The purpose of such a discussion would be explicitly to assess private sector views on current and future skills needs, based on the views around future growth patterns within their sectors. This kind of 'soft' and subjective industry intelligence is critical for skills planning. In addition, working public–private partnerships must be strengthened.

The institutional–industry relationships through, for example boards at education and training providers, should be promoted and possibly even legislated as a curriculum requirement.

The Square Kilometre Array (SKA) telescope is a good news example of coordination and planning in advance for projected skills required to support a major high-technology, knowledge-intensive science facility. What can DHET and other government departments learn from this SKA initiative?

Completed research reports referred to in the text

- *Information systems for skills planning: lessons and options for reform in South Africa* (Powell, M and Reddy, V, 2014)
- *Approaches and methods for understanding what occupations are in high demand and recommendations for moving forward in South Africa* ((Powell, M, Paterson, A, and Reddy, V, 2014)
- *High level audit of administrative datasets* (Paterson A, Visser M, Arends F, Mthethwa M, Twalo T & Nampala T, 2014)
- *Roadmap for the implementation of a centralised skills planning and intelligence unit* (Powell, M and Reddy, V, 2014)
- *Growth, employment and skills: The New Growth Path revisited* (Bhorat, H and Tian, N, 2014)
- *Towards Understanding the distinctive nature of artisan training: Implications for skills planning for South Africa* (Mbatha, N, Wildschut, A, Mncwango, B, Ngazimbi, X and Twalo, T, 2014)
- *Responding to Shifting demand for skills: How do we get firms and post-school education and training organisations to work together?* (Kruss, G, Petersen, I, McGrath, S and Gastrow, M, 2014)

Researchers Involved in the LMIP to date

Theme 1: Establishing a foundation for labour market information systems in South Africa

Vijay Reddy, Human Sciences Research Council
Andrew Paterson, Human Sciences Research Council
Marcus Powell, CEI International
Mapaseka Letho, Department of Higher Education and Training
Fabian Arends, Human Sciences Research Council
Sybil Chabane, KNC and Associates
Andrew Kerr, University of Cape Town
David Fryer, Rhodes University
Lizzie Mabotja, Human Sciences Research Council
Bongiwe Mncwango, Human Sciences Research Council
Menzi Mthethwa, Human Sciences Research Council
Titus Nampala, Human Sciences Research Council
Xolani Ngazimbi, Human Sciences Research Council
Bert Roefs, Development IT Solutions
Cuen Sharrock, Palladian Consulting
Thembinkosi Twalo, Human Sciences Research Council
Mariette Visser, Human Sciences Research Council
Christopher Vorwerk, Xasa Consulting
Lynn Woolfrey, University of Cape Town

Theme 2: Skills forecasting: supply and demand

Asghar Adelzadeh, Applied Development Research Solutions
Siphelo Ngcwangcu, REAL Centre, University of the Witwatersrand
Peliwe Lolwana, REAL Centre, University of the Witwatersrand

Theme 3: Studies of selected priority sectors

Haroon Bhorat, Development Policy Research Unit, University of Cape Town
Morne Oosthuizen, Development Policy Research Unit, University of Cape Town
Melissa Erra, Department of Higher Education and Training
Aalia Cassim, Development Policy Research Unit, University of Cape Town
Sumayya Goga, Development Policy Research Unit, University of Cape Town

Karmen Naidoo, Development Policy Research Unit, University of Cape Town
Kavisha Pillay, Development Policy Research Unit, University of Cape Town
Benjamini Stanwix, Development Policy Research Unit, University of Cape Town
Nan Tian, Development Policy Research Unit, University of Cape Town
David Tseng, Development Policy Research Unit, University of Cape Town
Derek Yu, Development Policy Research Unit, University of Cape Town

Theme 4: Reconfiguring the post-school sector

Glenda Kruss, Human Sciences Research Council
Lebogang Mokwena, Department of Higher Education and Training
Adrienne Bird, Department of Higher Education and Training
Simon McGrath, Nottingham University
Il-haam Petersen, Human Sciences Research Council
Michael Gastrow, Human Sciences Research Council
Salim Akoojee, Manufacturing, Engineering and Related Industries SETA (MerSETA)/ consultant
Sanusha Chetty, Univeristy of Kwazulu-Natal
Fiona Lewis, Walter Sisulu University
Tim McBride, Further Education and Training Institute, University of Western Cape
Lethukuthula Mkhize, University of KwaZulu-Natal
Bongiwe Mncwango, Human Sciences Research Council
Sybert Mutereko, University of KwaZulu-Natal
Joy Papier, Further Education and Training Institute, University of Western Cape
Vanessa Taylor, Swiss SA Cooperation
Adrienne Watson, University of KwaZulu-Natal
Volker Wedekind, University of KwaZulu-Natal
Zolile Zungu, University of KwaZulu-Natal

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

Vijay Reddy, Human Sciences Research Council
Michael Rogan, Rhodes University
Zukile Mvalo, Department of Higher Education and Training
Hussein Badat, Rhodes University
Rejoice Mabhena, Rhodes University
Nhlanhla Mbatha, HSRC / University of South Africa
Bongiwe Mncwango, Human Sciences Research Council
Allan Ncube Rhodes University
Kanyiso Ntikinca, Rhodes University
Pundy Pillay, University of Witwatersrand (until May 2013)
Ulandi du Plessis, Rhodes University
Teboho Tsietsi, Rhodes University
Allyssa Williams, Rhodes University
Lolita Winnaar, Human Sciences Research Council
Sifisokuhle Xulu, Rhodes University

Theme 6 : Understanding changing artisanal occupational milieus and identities

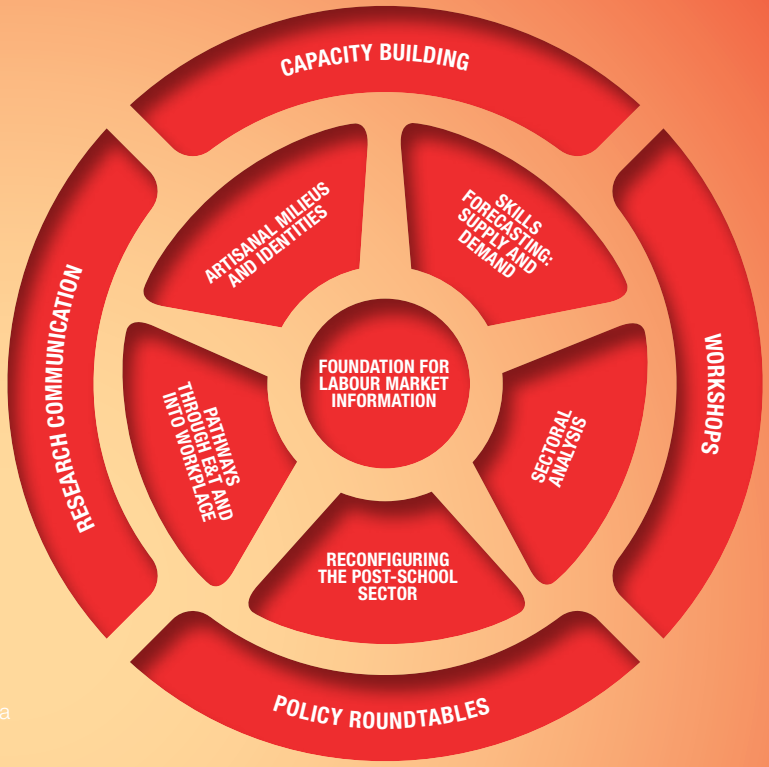
Angelique Wildschut, Human Sciences Research Council
Florus Prinsloo, Department of Higher Education and Training
Nhlanhla Mbatha, Human Sciences Research Council, University of South Africa
Jeanne Gamble, Independent Researcher
Vanessa Davidson, Independent Researcher
Jane Gallagher, Independent Researcher
Carel Garisch, Independent Researcher
Tamlynne Meyer, Human Sciences Research Council
Bongiwe Mncwango, Human Sciences Research Council
Xolani Ngazimbi, Human Sciences Research Council
Marianne Spies, Independent Researcher
Thembinkosi Twalo, Human Sciences Research Council

Research Communication

Rushil Ranchod, Human Sciences Research Council

Research Capacity Building

Kholofelo Motha, Human Sciences Research Council
Xolani Ngazimbi, Human Sciences Research Council



HSRC CONTACTS

Programme director
Vijay Reddy
vreddy@hsrc.ac.za

Project leader
Glenda Kruss
gkruss@hsrc.ac.za

DHET CONTACTS

Deputy Director-General
Mr F Patel
Patel.F@dhet.gov.za

Project secretariat support
Dr H Narsee
Narsee.H@dhet.gov.za

Project secretariat
Ms M Ramasodi
Ramasodi.M@dhet.gov.za

higher education & training
Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

HSRC
Human Sciences Research Council

University of the Witwatersrand, Johannesburg

Development Policy Research Unit

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