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HSRC Building, Pretoria

**The Labour Market Intelligence Partnership as the basis for
excellence in education and skills and a growing economy for all**

Dr Olive Shisana

Honourable Minister, Dr Nzimande,

**Deputy Director General of Department of Higher Education and
Training, Mr Firoz Patel,**

**Senior Officials: Department of Higher Education and Training &
other government departments;**

**Senior Officials from SETAs, Universities and Further Education
and Training Colleges;**

**Executive Director of Education and Skills Development
programme, Dr Vijay Reddy and HSRC staff**

Members of the Research Community

Members of the Media

I want to express my appreciation to Minister Nzimande and the Department of Higher Education and Training for acknowledging the role of research in the production of new knowledge to address the need in South Africa for an improved system of labour market analysis and planning.

I also appreciate your confidence in the Human Sciences Research Council to lead a consortium to undertake research to support the establishment of a credible institutional mechanism for skills planning. This will contribute to the development of a skilled and capable workforce for an inclusive growth path.

I understand this is a unique partnership between government and the research community and I am told that this research partnership represents the largest investment for research relating to skills development globally. Minister, this demonstrates your commitment to use evidence in policy making. This is welcome.

Given the history of the HSRC in undertaking research in the area of human resource and skills development, we are well placed to lead this consortium. The HSRC and its core partners, the Development Policy Research Unit at University of Cape Town, and the Education Policy Unit at University of Witwatersrand, as well as other partners, have the capacity to produce high quality research to build the South African Labour Market Intelligence System. We will not disappoint you, Minister.

Globally, labour market information and intelligence systems are established to provide analytical insights, which support the development of policies and intervention programmes across the education and training, skills and employment systems.

We are aware of the challenges in the education and skills sectors and the high levels of unemployment in South Africa. Problems in this sector include

- the levels of unpreparedness among students pursuing their post Matric education.
- misalignment between what firms require to achieve high productivity rates and what post school institutions are teaching;
- students inadequately prepared for the workplace; and
- high levels of graduate unemployment;

Because of this, there is urgency to develop a skilled and capable workforce to grow our economy. Therefore, this Research Partnership is very important. The output of the work of the consortium will be :

- High quality science leading to information, knowledge and appropriate labour market intelligence;
- Translation of information and knowledge to relevant and appropriate training, labour market and employment policies and programmes; and
- Grow the community of researchers in the area of skills development and labour market analyses.

The consortium has identified six main research themes to form the basis of the LMI Research (and you will hear more about this later).

These areas are:

1. Developing an overarching architecture for a labour market information system;

2. Developing a model for skills forecasting;
3. Studies of selected priority sectors;
4. Studies contributing to reconfiguring the post-school sector;
5. Studying the pathways and transitions of individuals through education and training system and into the workplace, and;
6. Understanding the changing artisanal occupational milieus and identities.

While we undertake this important research work that is defined in the Minister's service delivery agreement with the President, and in the policy documents of the Department of Higher Education and Training, it is also important that we continue to challenge ourselves on how we overcome the skills challenges of the country.

We know we need a responsive and excellent learning and training system, starting from the basic levels of education, if we are to experience enough economic growth to reduce unemployment.

We know that we need to strive for excellence in our education and training systems. We know that the efforts to improve our skills base must come from the **individual** students, parents, and teachers; from **institutions** involved in the production of knowledge; from government planners and from the employment sectors.

We should be aware that, without the active involvement and hard work of all parties, we are not going to overcome the challenges by relying on market forces or by leaving things to chance.

The successes of many countries, especially in the Far East, who have overcome some of their economic challenges in the last forty years, illustrate the importance and requirements of **hard work, institutional support and planning as crucial ingredients in the economic recipe.**

It is astounding to think that China's Gross National Product (GNP) per capita was lower than that of Sudan as recently as in 1980. The recent educational and economic successes of countries like South Korea, Singapore, Malaysia, Taiwan and now China all have the same themes, of very long periods of hard work, careful long term planning and institutional support systems for private businesses, whether large or small. Even if we choose not to follow the East Asian model as a country founded on different constitutional and cultural values, we still cannot ignore positive lessons from their successful strategies.

We recognise that a key feature of the post-1994 South African labour market environment is the development and implementation of active labour market strategies to address historical labour market inequities, and facilitate access to, and participation of disadvantaged groups in the world of work.

As we challenge ourselves for new ways to increase the education and skills set in the country and contribute to a changed economic landscape. I want to reflect on the 2008 book, *Outliers*, by Malcolm Gladwell, which offers some insightful and important propositions to plan and do things differently to achieve **excellence as individuals, institutions and as a nation.** Some of the insights from his book that

could have relevance for us in building a skilled and capable workforce and a growing economy are:

Firstly, drawing on work by Ericsson *et al*/ Gladwell proposes that becoming an expert in any field is not through a magic formula, but an investment of time in one's trade in a **focussed manner**. He proposes a *ten thousand hour rule*, the equivalent of ten years, a time period it generally takes for an individual to learn and master their trade. Our children, students and employees, from an early age, need to be taught or reminded of the basic principle of investing time and hard work to achieve excellent results. We do not pass our Mathematics exams by not attending classes, and even if we do attend classes, we still need to practice exercises over and over again. Being smart alone will not lead one to become an expert. Beyond a certain level of IQ it takes hard work, consistency and the ability to exploit opportunities to succeed.

Gladwell notes that Albert Einstein's IQ was only 150 points, and yet he was considered an iconic expert in his field, primarily because of the determination, time and effort he invested in his work. In this past month, we have heard the many interviews with the Olympic and Paralympic athletes. The story line is the same – yes, they have talent, however, this talent has been identified, nurtured, and individuals have put in long hours of training to reach the top from childhood.

Secondly, time invested in hard work on its own is not a guarantee that anyone would be successful at whatever they tried. The environment or background from which one comes is also very important. The systematic social and emotional support and motivation contribute a great deal to the future success of individuals.

The cultures, norms and rules of community and institutions have powerful, positive or negative, effects on individual members' chance of success in life. Malcolm says that when people *“become outliers it is not just because of their own efforts. It’s because of the contributions of lots of different people and lots of different circumstances – and that means that we, as a society, have more control about who succeeds – and **how** many of us succeed.... No one, not rock stars, not professional athletes, not software billionaires, and not even geniuses – **ever make it alone**”*.

Thirdly, given that society has control about who and how many succeed, our actions have an impact on individuals and our communities. Individual talents and hard work flourish when supportive cultural norms and institutions are in place and functioning and when opportunities are provided. Since we cannot leave things to chance, **planning** is critical to the success of what we do as individuals, communities and institutions.

This Labour Market Intelligence research project should also include necessary mechanisms to promote the appropriate kinds of individual and community behaviours and establish the kinds of institutional support systems that would nurture successful people. Only then we would become a nation of productive experts in whatever chosen fields of work. The responsibility of government and its partners extends from providing young people with equal access to schooling and supporting them to maximise the learning and development outcomes and opportunities for all.

Fourthly, becoming an expert requires an investment in an appropriate field. The LMI Research should provide us with accurate and timeous

signals so that we can make educational investment decisions as individual and institutions and also guide in long term planning. Such signals should be available to both the supply and demand sides of our education and training system as well as employment and production sectors.

A labour market system that assists individuals to make long term and appropriate educational investments will contribute positively in generating a large group of technical experts who are employable at the end of their learning and training experiences.

An accessible information and knowledge base from this labour market information system and its research should make it possible for all institutions, including government agencies, to plan and intervene correctly when supporting individuals' aspirations to succeed.

The flows of correct information should also benefit the growth of production sectors. It is very important that the research guides the labour market information system in becoming a socially intelligent system that responds appropriately to South Africa's complex socio-economic conditions.

Minister Nzimande, you have given the research community a task to develop a sustainable research and information system that is able to move the country many steps forward and on the right trajectory towards resolving our national challenges while building a broad stock of experts that will improve the country's economic state. The research teams are

ready to start work and we look forward to the outcome of this partnership which will contribute to the country's critical need.

Thank you

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