SKILLS DEVELOPMENT SUMMIT 2007
INCREASING THE BUSINESS VIABILITY & EMPLOYMENT GROWTH IN THE COUNTRY – A HIGHER EDUCATION PERSPECTIVE [1]

Honoured guests, ladies and gentlemen

This past Sunday, the Business section of the Sunday Times[2] trumpeted the headline, *"An embarrassment of riches."* South Africa, it stated, had its first balanced budget in modern times. Not only that, but there is once again a huge revenue overrun, forecast to be in the region of some 30 billion - hence, one would assume - the title of the article.

It seems almost paradoxical then, that amidst such an "embarrassment of riches", and economic stability, we have ordinary South African citizens who are starving; men and women who cannot feed their children because they can't find work, or worse, because they lack any skills that are of use in the workplace.

South Africa, we argue, has a "first" and a "second" economy, a product of our hugely disparate inheritance, with the first economy comprising the formal business sector and the second economy comprising those who fall outside of South Africa's formal economy. It could be asserted that this distinction reflects a continued marginalisation of the poor, overwhelmingly black population from the mainstream economy, and the question then arises as to whether we will ever be in a position - what would it take - to halt and reverse the unending saga of poverty and all its concomitant ills, that has so dogged our history.

Initiatives such as the RDP and then GEAR surely had this reversal in mind, but some argue that our current economic stability, evidenced by the current balanced budget and stable inflation rate, has been achieved at the expense of employment and state capacity levels, and that for many, the new South Africa has not become the promised land that they believed it would. To the unemployed, it would seem that we have not

[1] Keynote address delivered on the occasion of the Skills Development Summit held at the Hilton Hotel, Sandton, Johannesburg. 21 -23 February 2007
[2] Sunday Times of 18 February 2007. Article entitled "An embarrassment of riches" by Brendan Boyle.

delivered on our promises. We need more homes, water, electricity, improved transport, better education – the list is endless. And as we have struggled with all of these dynamics we have realised that the major factor that is inhibiting the explosion of growth that this country so desperately needs, is a lack of appropriate skills, which can only be addressed by means of a comprehensive development plan and a concerted effort by all stakeholders in our country, to galvanise that plan into action. And so Asgi-SA, whose aim is to halve poverty and unemployment by 2014, was born. In his State of the Nation address in 2006, President Mbeki said:

> Asgi-SA is not intended to cover all elements of a comprehensive development plan, rather it consists of a limited set of interventions that are intended to serve as catalysts to Accelerated and Shared Growth Development." [3]

A number of catalysts were highlighted. These included infrastructure development; sector strategies; interventions in the second economy; public administration and macro-economic issues, and importantly, education and skills.

In any society, socio-economic prosperity presupposes a well-equipped and trained source of human capital, capable of facilitating the required development, and there can be no doubt that in that sense, higher education is a national resource. Where previously higher education institutions served as sites of relatively autonomous knowledge production, there is now an urgent need for higher education institutions to respond in a more targeted fashion to national growth and development needs, especially as articulated in Asgi-SA. It was with this in mind that the Joint Initiative for Priority Skills Acquisition (or JIPSA) was launched in March 2006.

You will know that JIPSA is a joint initiative of government, business, labour, academics and civil society, aimed at fast-tracking the provision of the priority skills required to support Asgi-SA – all within very tight timeframes; so it is incumbent upon us, to ensure that we "find ourselves" as co-contributors to the development of

[3] State of the Nation address: 2006

human capital in South Africa, so that we can tackle effectively, and in a sustained manner, the immense challenges we face.

As the higher education sector we must ensure that we actively support JIPSA while continuing to fulfil our core mandate of

> ….. *developing a citizenry* capable of participating effectively in democratic processes, and thus enhancing the project of democracy; with producing intellectuals who can engage with the most intractable problems of society and so develop more generally the ability of citizens to participate politically, economically and socially; *and with producing high-level skilled graduates and new bases of knowledge to drive economic and social development, and to enhance the overall levels of intellectual and cultural development.*[4]

Clearly then, there needs to be a very close synergy between higher education and the state, in which as Prof Paul Tiyambe Zeleza puts it:

> "Higher education is [was] valued as a public and intellectual good, which moreover, dovetailed into visions of nation-building and national development"[5].

I would include business, labour and civil society in this equation, because the resultant synergy will ensure that people "….are equipped to participate fully in society, to be able to find or create work and benefit fairly from it."[6]

The commitment to skills and development has been a cornerstone of this country's human capacity policy from the beginning, and even though some HEI's stubbornly clung to their ivory tower ideals, in 2002 this country could boast of some nearly 700 000 students at public higher education institutions, so much so, that in 2005 the Minister of Education could caution that South Africa would reach its 2010 target age

[4] South African Higher Education in the First Decade of Democracy. The Council on Higher Education. Compress. Pretoria 2004. Ch 1, pg 14.
[5] Ibid.
[6] Human Resource Development Strategy for South Africa: A Nation at Work for a Better Life for All. 2001.

participation rate a lot earlier, as it then stood at 17%. In the case of Unisa (and incidentally, more that one-third of all South Africa's students are Unisa students) this has already happened and we are now faced with having to make some difficult decisions around access, or having to deal with the overburdening of our systems and infrastructure to a point where they become unproductive.

Even then, this still leaves far too many South Africans out of the higher education loop. And while access poses ongoing challenges, we are simultaneously faced with unacceptably low throughput and drop out rates. Concerns have also been raised about the relevance and applicability of education to the work environment. This concern is occasioned by the phenomenon of unemployed graduates. Employers are clearly not sourcing new trainees from among the corps of graduates available for the labour market.

As we balance out these achievements and shortcomings of South African higher education, we must also recognise that higher education has been under-funded compared to the size of growth of the economy. As higher education has been increasingly relegated to a lower priority on the funding ladder; to an increasingly smaller slice of the financial pie, its infrastructure has suffered and we are now faced with having to play a catch-up game. Additional constraints such as increased student fees and poor salaries for professionals have also taken their toll on higher education provision. And so we find an array of issues and constraints all competing for our attention and action – and all equally important.

Perhaps a sensible way to approach the challenges is for higher education institutions to review their missions and practices. Higher education institutions should commit to a percentage of their time not only to devote time to their traditional missions; they should afford about 10% of their resources to training, in short courses and custom-made programmes to work with industry, especially with the unemployed to supplement their education with training, and to prepare the unemployed with skills for the world of work.

Furthermore, there is no reason why HEIs should not network with fellow institutions to embark on collaborative programmes that draw on their various skills and

resources. Perhaps clusters of institutions may commit to undertake research necessary to advance aspects of the JIPSA programme, while others may cooperate as a consortium to address other areas like different levels of engineers, project managers, educators and community development workers. I am myself keen to see what higher education institutions will propose. The University of South Africa for example, is planning a 10-week summer school which is aimed at targeting critical skills shortage areas identified by JIPSA. The intention is to make this a collaborative effort that will produce very concrete results. I am also aware that our neighbour, the University of Pretoria, has amongst others, targeted engineering as an accelerated growth area. (You will know that engineering is but one field in which we are experiencing a critical skills shortage). At a time when many HEIs are busy with their planning, there is no reason why similar initiatives cannot become part of that planning and launched across the country.

A further bit of good news is the envisaged targeting of the FETs for the accelerated production of a wide variety of skills, particularly in the trades. Once again this will require sectoral cooperation, and commitment. HEI partnerships with the SETAs and with the FET sector will greatly enhance production and distribute available resources for effective delivery. Higher education institutions cannot stand aloof from the challenge that our country and Continent faces at this time.

Following our meeting with the Deputy President in December 2005, HESA invited higher education institutions to consider how they might contribute to the ASGISA project. I did not believe that all that the Deputy President required was that higher education institutions carry on with their business in a leisurely manner in the face of the urgent challenge we all face. What we are all called upon to do is to draw from our very best to contribute and reinvest in the building of our society. I am also aware that the Minister of Education is looking for a major initiative and partnership with higher education institutions to accelerate ASGISA. My hope is that higher education institutions should never be found at fault and wanting.

I have already mentioned that many of our graduates are without work – in fact, they are unable to find work. We need to ensure then, that there are mechanisms in place which facilitate the placement of newly skilled and qualified graduates. People need

to know that they will find employment; that their skills will be able to secure them an honest living. This highlights once again, the importance of ensuring that all stakeholders sustain a close supportive relationship that is cognisant of identified needs and changing dynamics. We need to ensure that we remain abreast of changes in need and demand so that we can adapt accordingly and in good time. Redundant skills are of no use to anyone – least of all our graduates.

We are indeed committed to producing high-level professionals, to conducting strategic and applied research, and to participating in economic development, but we assert very firmly that higher education shall continue to provide space for intellectual debate and engagement, for intellectual enquiry and exploration and for the unhampered expression of ideals and theories that contribute to the advancement of that body of knowledge that defines us not only as people or nations, but as human beings with immense promise and capabilities.

This is best captured in the words of WEB du Bois (1994), who said:

> The function of a university is not simply to teach breadwinning, or to furnish teachers for the public schools, or to be a centre of polite society; it is, above all, *to be the organ of that fine adjustment between real life and the growing knowledge of life*, an adjustment which forms the secret of civilisation. (du Bois, 1994: p.52)