

Scarce Skills and the Brain Drain: Decelerating Growth?

AIDC Address

The topic suggested by organisers was an exciting one until, I started thinking through what the implications of the links between the various phrases were. Clearly, while it responds to the current buzzwords that have dominated skills development discourse over the last few years, it also suggests a particular take on the reasons for, and leads (perhaps) to some solutions. Clearly, what I want to argue is a case for contextualising the issues and in engaging with them, provide some semblance of clarity about the nature, form and context of the skills development imperative, and then perhaps point to some questions that we might consider for you to take the sector forward in this regard.

“We only think when we are confronted with a problem”
– John Dewey-

BUT

“It isn’t that they can’t see the solution. It is that they
can’t see the problem.”
-G.K Chesterton-

Introduction

In preparing for this talk, I came across quite an exciting comment by Reuel Khoza (Business Day, p. 13 on Thursday May 29th 2008), which I believe serves as a starting point for my address. He starts with this appeal:

SA;s future success will not come from looking outwards, or backwards to what we may have had in the past. It will be the result of collaboration between forward-thinking organisations, progressive partnerships between public and private sectors, and a willingness to do whatever it takes to swell the ranks of talented, economically active South Africans from within..."

This appeal appears to 'hit the nail on the head' for me. Identifying collaboration seems, to me, the most significant element in the skills development conundrum in which we find ourselves. While partnerships, might well be an 'in' buzzword, the need to ensure collective and effective collaboration cannot be over-emphasised if we are to respond to any national challenges, let alone, one so serious as skills development. Importantly, Reuel realises the absolute importance of 'swelling the ranks of talented and economically active South Africans from within', which appears to me to be the crux of the direction to which the topic leads.

I might well be wrong, but the topic as identified suggests the following. We need to ensure that we respond to the scarce skills challenge (and the brain drain), which together results in 'decelerated growth'. This might lead to the logical conclusion that we seriously need to 'accelerate growth' by responding to the scarce skills, which has been occasioned by the brain drain. Now, no-one would disagree that the shortage of skills (in any sector) and in any context is likely to have negative impacts on growth, but there are a range of issues around how we respond in the national context. Clearly the groundswell of opinion that is currently doing the rounds that in the absence of developing skills fast enough and especially in light of the urgent and real priority of the success of preparations for 2010, there would be a need to be attention to immigration of skilled personnel. The short-termism implicit in this assumption appears (in retrospect) to fly against all the development gains made when we bid for hosting of the World Cup. Clearly urgency breeds a whole new rationality of its own and one we need to be wary about.

This, of course, does not mean that we throw the baby out with the bathwater. There is clearly a need to bring in skills, just as we lose them. But let's be wary about who, how many and what we bring and assess carefully its long term impact on our development.

While it is clear, there needs to be some serious influx of skills, let us not forget the long-term goal that 2010 is expected to deliver. In doing so, the importance of ensuring that we engage the skills development debate by ensuring that we don't miss the longer-term opportunity by upskilling a significant proportion of our people cannot be missed.

Scarce skills and the brain drain. The issue of scarce skills is contested in the public space. However, the reality of a 'real' or an 'imagined' scarce skills situation, as Jimmy Manyi has argued, is unfortunately realised on the ground, on your shop floors, if you will. How we feel towards this debate is less important than unpacking what it's about. The notion of scarce skills is clearly not a post-apartheid one. How do we, for instance explain the quite 'progressive legislation' of the Wehahn Commission, which only in the 80's accepted that black people were worthy of becoming artisans. Clearly, the 'immigration of (at that time) white skills from Europe was either not sustainable, or for political reasons not feasible anymore. Thus the 'brain gain' that we argue needs to happen to resolve the immediate impasse is not new. The point is that it is likely that the reasons for resisting the urge to go for this solution needs to be clear, and our national development objectives need to dominate.

What about this brain drain? Very little empirical work has been done (in any sector) simply because we cannot know. I know of some researchers having to log on to the sites of overseas countries in order to determine how many South Africans have immigrated. This is itself a sad indictment on our knowledge management and administrative systems. ...but more importantly...

But, to the issue. Clearly Brain Drain is a reality and even the most rudimentary anecdotal/educated guesswork suggests that it represents a substantial component of the reasons for the current scarce skills in strategic areas of the economy. The reality is that it cannot **but** have a detrimental effect on our skills development initiatives. But we need to understand that we are not alone, and the quicker we engage the issue the better.

At a point, the fact that skills are 'drained', has brought into question the simplicity of the skills 'supply-demand' protagonists. The fact that 'skills' get dissipated by a range of mechanisms, including exodus into other skill directions (even inside the country) means

that we cannot have a model that simply predicts x amount of skills to respond to y-demand. Even the most complex of supply-demand models are unlikely to capture the complexity of skill movement, be it from South Africa to Australia or New Zealand or to the UK/Canada. And I think we need to explore, if we ever can 'scientifically' assess demand and taper supply accordingly.

The skills agenda is indeed a global one and one associated with the 21st century. We cannot wish it away and will, therefore, need to engage it. Requires a national response at the highest level....but might need to assess what the sector could do?

More specific merSETA developments:

- How are we engaging the Auto industry needs?
Increased learnership grant, perhaps
Discretionary grants
Other initiatives
- Is there a dramatic announcement that can be made i.t.o. our role....sustaining the partnership theme
- What can other role players be doing:

- **Business (the sector)**

*There might be a call for undertaking training and being incentivised at every stage. What are they bringing to the party? While we understand the particular economic context that the auto sector finds itself. Importantly readings in 'strategic management' suggest that in times of adversity, more, rather than less attention should be paid to training and development if competitive edge is to be sustained.

Much more attention should be paid to skilling in light of the lack of attention given to it. Need to re-examine it's absolutely crucial link with productivity

MIDP: dunno if you want to talk to the issue

- **Labour**

How can labour enable the skills development agenda? Should there not be a more sustained ABET strategic vision, for instance. While the lobbying role might be useful, what about pro-actively allowing us to see creative projects with which we can partner.

- **Government**

Should there be joined up policy to engage the skills agenda. Why have home affairs, for instance, not come to the party. Why is it that we need to engage the services of the Deputy- PM in order to unblock the system. What other mechanisms, besides JIPSA, could be used?

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