**Minister Pandor’s speech to the Career Development Service Conference**
Lakes Hotel, Benoni
Thursday, 28 June 2018

‘Careers in a changing world”

Every year on 16 June we remember the 1976 Soweto uprising and pay tribute to learners who stood up against the apartheid government. They fought for freedom and the right to education for all.

The day serves as a reminder that young people in the country were at the forefront of our struggle. It also provide us with an opportunity to take stock of the steps we have taken to address work issues facing the youth.

We not only commemorate Youth Day but we also dedicate the entire month of June to young people. Government and its agencies, such as the National Youth Development Agency, are hosting a number of engagements, including youth expos, dialogues and youth entrepreneur hubs to showcase opportunities available to young people.

Since October 2014, the DHET has had a fully-fledged Career Development Service (CDS) as a one-stop for young people looking for their best options in the post-school education and training sector.

I’m pleased to launch the ‘National Policy for an Integrated Career Development System for South Africa’. The policy guides the implementation of coordinated career-development services in all spheres of government. While the DHET drives national coordination, each department (including the DHET) and critical agencies, such as the National Youth Development Agency, are responsible for coordinating and implementing career development services in their respective sectors.

The policy is not a DHET policy but a national policy spanning all spheres of government. It is coordinated by the Interdepartmental Career Development Committee that is comprised of the Departments of Higher Education and Training (DHET), Labour (DoL), Basic Education (DBE), Public Service and Administration (DPSA), and Social Development (DSD).

The National Career Development Forum (NCDF), constituted by multi-sectoral stakeholders, is a platform for stakeholders to share experiences and contribute towards building an integrated career development system for the country. It has members from representative stakeholder organisations involved in career development in South Africa. Through its membership it addresses the career development of all citizens, and encourages the participation of community-based organisations that play a pivotal role in career development, especially in rural areas.

This conference is about careers in a changing world and the impact of automation and machine learning on jobs now and in the future.

[Recent OECD research](http://www.oecd.org/education/getting-skills-right-south-africa-9789264278745-en.htm) shows that half of South African workers are employed in an occupation without the correct qualification.

A quarter are under qualified.

A quarter are over qualified.

This is a serious mismatch - a much higher mismatch than in OECD countries.

In this regard it is worth noting that the World Bank has produced what it calls a [Systematic Partnership Diagnosis](http://documents.worldbank.org/curated/en/815401525706928690/South-Africa-Systematic-country-diagnostic-an-incomplete-transition-overcoming-the-legacy-of-exclusion-in-South-Africa) in preparation for a country partnership over a three year period (2019-2022) that will lay a foundation for foreign investment. The report that was published in March was prepared in consultation with our National Planning Commission. The report’s aim is to lay out the constraints on eliminating poverty and reducing inequality. It addresses five constraints, but the key one is “insufficient skills”.

What we have is the oversupply of low-skilled workers and undersupply of high-skilled workers. We struggle to compete in labour-intensive global markets because our unskilled workers are too expensive and we struggle to compete in capital-intensive markets because we are short of high-level skills.

Those with high-level skills are employed in the dynamic parts of the economy - hi-tech manufacturing, the creative industries, hi-tech medicine, business services, education and computer software, in advertising, in mobile phones, and in aerospace engineering.

Globally the market for people with portable skills is exploding - in engineering, finance, marketing, construction, healthcare, management and technology. Companies operate in dozens of countries, requiring complex technologies and a massive pool of highly skilled people able to navigate tricky international waters. Low-income developing countries like China and India are spending billions on infrastructure, creating enormous demand for skilled workers. All these things are creating a fierce competition for talent. It’s a competition we’re not winning.

I can remember ten years ago, when I was first in the education ministry, talking about what we learned from the Pulitzer Prize-winning author Tom Friedman (*The World is Flat*, 2006). He told us that any business process that could be automated, digitized or outsourced, would be automated, digitized, or outsourced. We could see it happening then, as companies looked for new ways of producing products and making services available throughout the world.

But we had little idea how fast these processes would develop under the impact of machine learning, artificial intelligence, and now 4IR over the last decade.

How do we address the [World Economic Forum’s](http://www3.weforum.org/docs/WEF_EGW_FOJ_Africa.pdf) projection that one in three jobs in South Africa – almost 5.7 million – are currently at risk of total digital automation over the next decade?

How do we teach our children the skills that will not be outsourced to foreigners in another country where that work can be done cheaper, or automated or digitised?

We know workers will have to incrementally upgrade skills and learn new skills through lifelong learning.

That’s why we’re investing in skills of all levels to become a learning and knowledge society.

But we are focussing on low to mid level skills and this is where the TVET college sector is going to make a huge contribution.

The 50 TVET colleges, with an enrolment of 700,000 students, are allocated R10,7 billion this year (up 45% from R7,4 billion in 2017). That’s an enormous boost in funding.

It’s a clear indication of the importance government places on TVETs.

This year free education, under the new DHET bursary scheme for students, is being implemented for all years of study: 458,875 college students are receiving bursaries for tuition and books; 50,480 students are receiving travel, accommodation, and meals allowances; and 82,600 are receiving a transport allowance.

We find that students with good marks go to university and become white-collar workers while those without good grades choose a trade and become blue-collar workers. Careers advisers don’t mean to reinforce this hierarchy but they do because there is a huge built-in bias that is immensely difficult to shift. But it’s wrong. It’s understandable because of our racist legacy of discrimination in education and work.

But in a changing world we’re learning that there are rich and rewarding careers in trades, and in trade specialisation in particular, and that there are many pathways to management. You don’t have to wear a white shirt to be a manager or an entrepreneur or to run your own business. We have to show young people that choosing a vocational rather than an academic path to a career is not choosing the short straw. It can lead to a fulfilling life with generous financial reward. Especially now that automation removes so much repetitive work. A car mechanic is becoming more and more like a software engineer.

And this goes for women as well. More women go university than men and more men go to college than women. It’s the built-in bias. New industry 4.0 for women. Old industry 1.0 for men. Women become doctors and scientists. They don’t want to be car mechanics or welders.

On that note, I wish you all the best of conferences.