SKILLS IMPERATIVES IN NAMIBIA
IPM 1st ANNUAL CONVENTION

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Presentation

• Definition
• The Skills Deficit
• Useful Comparisons
• Workforce Development
• Future Jobs
• Conclusion
Skills Imperative

- Adequate Supply of Qualified, Productive Labour Force

Annual Budgets, NDPs, Vision 2030
Skills Gap

- Namibia
  - What are the current skills gaps in the current workforce?
  - What new jobs are being created?
  - How is the economy changing?
  - How do we match skills with current demand?
  - How do we match skills with future demand?
Survey on Skills deficit

- More than 96% of companies across all sectors:
  - country has a skills shortage
  - 51% feel the shortage is severe
  - 45% feel the situation is “very severe”.

Sources: *Namibia’s Skills Deficit*, NEF, 2010.
Educational attainment

• 49% of pupils completed primary education.

• 19% completed secondary education.

• In any respect, those who completed and did not complete schooling at these levels are surely without any skills.

• Source: Namibia Inter-censal Demographic Survey, 2006
HE Tracer Study

- University graduates in Namibia
  - 60% of PoN graduates have taken up jobs that are not linked to their degree studies.
  - 80% of the graduates obtained jobs in the second year after graduation
  - Most got first job after contacting about three employers.
Namibian demographics

- 60% of Namibians between 15-50 and about 20% are between the ages of 16-24.

- This is a young country with potential workers
  - the ‘working-age population’.
The Challenge

The world population at 7 billion

- competition for land, water, food, clean air, jobs, better living, ....

- Skills shortage is national & global.

- All the more reason to be more competitive
Where do people live?

- **Northern America**
  - 1800: 0.7%
  - 1900: 5.0%
  - 2000: 5.2%
  - 2050: 4.8%

- **Europe**
  - 1800: 20.8%
  - 1900: 24.7%
  - 2000: 11.9%
  - 2050: 7.2%

- **Asia**
  - 1800: 64.9%
  - 1900: 57.4%
  - 2000: 60.5%
  - 2050: 57.3%

- **Latin America and the Caribbean**
  - 1800: 2.5%
  - 1900: 4.5%
  - 2000: 8.5%
  - 2050: 8.4%

- **Africa**
  - 1800: 10.9%
  - 1900: 8.1%
  - 2000: 13.4%
  - 2050: 21.7%

- **Oceania**
  - 1800: 0.2%
  - 1900: 0.4%
  - 2000: 0.5%
  - 2050: 0.5%
Tertiary Education in the World
Researchers in the World
Gross Enrolment Ratio

Knowledge Economy

- runs on brainpower

- requires educated citizens
  - 66% with degrees
  - 50% with advanced degrees

- requires skilled workforce (employable skills)
  - low, medium & high level
US Workforce

- Population = 306 531 009

- Currently at 7.2%, or 11.1 million people out of work.

- Workforce = 11.1/.072 = 154 million

- 154 731 000 (civilian) + 1 500 000 (military)

- More than half of the US is working.
UK Workforce

Population = 60 million

Workforce = 29 million

About 6 million in public sector,

Only around 453,000 (less than 10% of public servants) are in the civil service.

About 50% of population is working.
Unemployment in Namibia

- Workforce 1997: 401,203
- Workforce 2004: 385,329
- Workforce 2008: 331,444

<table>
<thead>
<tr>
<th>Year</th>
<th>Overall Unemployment Rate</th>
<th>1997</th>
<th>2000</th>
<th>2004</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>34.5%</td>
<td>33.8%</td>
<td>36.7%</td>
<td>51.2%</td>
</tr>
<tr>
<td>Women</td>
<td></td>
<td>40.4%</td>
<td>39%</td>
<td>43.4%</td>
<td>58.4%</td>
</tr>
<tr>
<td>Youth (15-24 years)</td>
<td></td>
<td>58%</td>
<td>67%</td>
<td>61%</td>
<td>75%</td>
</tr>
</tbody>
</table>
What should be the workforce?

- Namibia – what if a developed economy?
  - For 2.2 million people
  - Assume a ratio of 50% workforce = 1.1 million workforce!
    - Where are the jobs?
    - Where are the workers?
    - Where are the skills?
    - What new jobs do we need to create now?
    - What are the jobs of the future?
    - How do we plan to develop the workforce?
Frictional unemployment

- **Temporary** between jobs for a few weeks, soon back in the job

- **Permanent** (e.g. factory mechanic whose skills are no longer in demand) industry has moved overseas

- **Economic Evolution** - people think at the margin: they only do something as long as that extra work is worthwhile
Economic Opportunity

• Only 7% of Namibians have completed tertiary education.

• Enrolment at tertiary levels remains at the low end, at 5.9%.

• Developed economies: enrolment in HE above 60% for the youth population (18-24 years).

• We are not effectively building a knowledge economy.
Workforce Development
- a future perspective

• Skills shortages and high unemployment unlikely to exist together.
  • But they often do.

• Those out of job for long period in teens or early twenties tend to slip into long-term permanent unemployment.
Workforce development - a future perspective

An American economic development approach that attempts to enhance a region's economic stability and prosperity by focusing on people rather than businesses.

It is essentially a human resources strategy.

Workforce Development

Historically found in two forms (American):

**Sector-based strategies**: focus on matching workers' skills to needs in an industry already present in the region, such as healthcare or manufacturing.

  Supply-side driven, emphasises employee (normally unemployed acquire skills to enter labour market)

**Place-based strategies**: attempt to address the needs of people living in a particular neighborhood.

  Demand side, emphasises employer or is market-driven.
Workforce development

Successful programmes:

- a strong network of ties in the community.
- equipped to respond to changes in their environments.
- take a holistic approach to the problems faced by participants.
Five Pillars of Innovation

- Jean-Francois Rischard, 2010

• 1. High quality education and training.
• 2. A lively “innovation ecology” to foster the “creative class” and business innovation.
• 3. Quality business environment.
• 4. Advanced ICT infrastructure.
• 5. A model government and change-friendly values within the population.
Namibian Skills Deficits

- Recent IPPR study of 107 companies:
  - A critical shortage in key professional fields:
    - architects
    - engineers
    - physicists
    - chemists
    - computing professions
    - surveyors
    - cartographers
    - health professionals
    - jurists
    - physical and engineering science technicians
    - accountants etc.

Source: Namibia’s Skills Deficits, NEF, 2010.
Future Skills

• Critical skills for the 21st Century:
  - Deep independent thinking and problem-solving
  - Mental flexibility
  - Fluency with ideas
  - Originality of contributions
  - Habit of finding hidden assumptions and niches
  - A bias toward opportunity and action
  - Usage of all available tools, including the five senses and intuitive perceptions, in data collection
  - Energy, enthusiasm, and positivity about decision-making
  - Self-sustaining productivity

Source: www.successful-blog.com (15 November 2011).
Ten Best-Paying Future Jobs

- Median incomes well above the national average in most countries:
  - Personal Financial Advisors
  - Dental Hygienists
  - Civil Engineers
  - Market Research Analysts
  - Computer Systems Analysts
  - Physicians and Surgeons
  - Computer Applications Software Engineers
  - Management Analysts
  - Accountants and Auditors
  - Registered Nurses

Source: [www.jobs.aol.com](http://www.jobs.aol.com) (15 November 2011).
Skills Imperative

- The Future
  - Industrialise and diversify economy
  - Adapt input-output economic model (Leontief)
  - Develop National HR Policy and Plan
  - Establish Workforce Development Bureau
  - Establish a Statistics Agency
  - Adapt a new Funding regime
THE END

I THANK YOU!
Summary

- If you are not developing into a knowledge society, aren’t you at the margins of evolution?