

**EVALUATION OF NATIONAL SKILLS**

**DEVELOPMENT STRATEGY (NSDS III) 2011-2016**

**Draft Baseline Report**



and



**July 2017**

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# ABBREVIATIONS AND ACRONYMS

APP Annual Performance Plan

ATR Annual Training Report

CBO Community-Based Organisation

CPA Communal Property Association

DAFF Department of Agriculture, Forestry and Fisheries

DHET Department of Higher Education and Training

DOA Department of Home Affairs

DoE Department of Education

DOH Department of Health

DoL Department of Labour

DPSA Department of Public Service and Administration

DTI Department of Trade and Industry

ECD Early Childhood Development

ECSA Engineering Council of South Africa

EDD Economic Development Department

EPWP Extended Public Works Programme

ESSA Employment Services South Africa

ETR Expenditure Training Report

FET Further Education and Training

HRDC Human Resources Development Council

HRDS Human Resources Development Strategy

HSRC Human Sciences Research Council

iPAP Industrial Policy Action Plan

ISASA Independent Schools Association of South Africa

JIPSA Joint Initiative on Priority Skills Acquisition

LMIP Labour Market Intelligence Partnership

MOA Memorandum of Agreement

MOU Memorandum of Understanding

NC(V) National Curriculum (vocational)

NDP National Development Plan

NEETS Not in Employment, Education or Training

NGO Non-Governmental Organisation

NGP New Growth Path

NLPE Non-Levy Paying Entity

NQF National Qualifications Framework

NRF National Research Foundation

NSA National Skills Authority

NSC National Senior Certificate

NSDS National Skills Development Strategy

NSF National Skills Fund

NYDA National Youth Development Agency

RDLR Rural Development and Land Reform

SAGDA South African Graduates Development Agency

SAICA South African Institute of Chartered Accountants

SDA Skills Development Act

SETA Sector Education and Training Authority

SLA Skills Levies Act

SMME Small Medium and Micro Enterprises

SSP Sector Skills Plan

TVET Technical Vocational Education and Training

WBE Work Based Experience

WIL Work Integrated Learning

# GLOSSARY

**AET** All education and Training for adult learners on level 1 registered on the national Qualification Framework contemplated in the Skills Development Act Act no.67 of 1998, (as amended).

**Apprenticeship** A programme integrating theory, practical training and work experience leading to a listed trade, and which includes a trade test.

**Artisan** A person who has been certified as competent to perform a listed trade in accordance with the Manpower Training Act 1981.

**Bursary** The grant paid to a person to learn a trade or a skills programme at a recognized training institution. It is generally intended to cover the study fees, but can include books, travel and associated costs of study.

**Internship** A period of work experience with an employer where a newly qualified person can practice the skills learned during their studies.

**Learnership** A learnership is a structured programme that includes both theoretical and work based practical learning and leads to a qualification on the NQF. A learnership has to be registered in terms of the Skills Development Act no. 97 of 1998 (as amended).

**Learning Programme** Includes Learnerships, apprenticeships, skills programmes and any other prescribed learning programme in terms of the Skills Development Act no 97 of 1998 (as amended) and which results in credits towards a qualification registered on the NQF.

**NC (V)** National qualification at NQF level 2, 3 and 4, comprising 130 credits and seven subjects per level, which consist of academic knowledge and theory, integrated with practical skills and values specific to each vocational area/specialization. The NC(V) is intended to be a technical alternative to the National Senior Certificate (NSC) with the same level 4 value.

**N-Courses** A catalogue of nationally assessed and certificated occupationally-directed programmes aimed at learners intending to pursue a technical/vocational learning pathway outside of the schooling system, offered from N1-N6.

**Public TVET College** Formerly called FET colleges - Any college that provides further education and training on a full-time, part-time or distance basis which is established or having been declared as such in terms of the Further Education and Training Colleges Act no. 101 of 1997.

**SETA** Is a Sector Education and Training Authority established in terms of the Skills Development Act no. 97 of 1998.

**Skills Programme** Skills programme is a learning programme that is occupationally based, and results in credits that contribute to a qualification registered in terms of the National Qualifications Framework Act and complies with the requirements of the Skills Development Act no.97 of 1998.

# INTRODUCTION

## Purpose of the study

This baseline study is part of a comprehensive evaluation of National Skills Development Strategy (NSDS III), its design, implementation and impact. To measure progress in relation to the Goals, Outcomes and Outputs of the Strategy, it is necessary to initially set out the baseline. No baseline study was conducted at the beginning of NSDS III (i.e. setting out the baseline in 2010/2011) and so it is necessary to try and construct the baseline in retrospect. This is not ideal, and it is not easy because the research team must rely on documents that are quite old and cannot easily be verified. Nevertheless, it was agreed that some assessment of the status quo at that point should be documented.

The key objective of the study is to bring together available data in relation to Outcomes and Outputs and to provide a descriptive account of the status quo as was before the introduction of the NSDS III. The information is vital for measuring the progress and achievement made thus far. Specifically, this is an essential component of the NSDS III review process and will assist in determining the shape and implementation framework of the envisaged strategy going forward.

## Contextual background

Skills shortages have been a concern in South Africa for many years. The state of artisan development is a useful example of a real problem that government has sought to address over time. It was one of several weaknesses in the country’s skills base that policy makers have been grappling with. From as early as 1985 to 1995, the number of artisans in development decreased from an annual high of 33 000 to just over 22 000 in 1994, and by early 2005, it had fallen to as low as 4 500 (The Presidency, JIPSA Final Report, 2010). Subsequent policy debates culminated in the adoption and institutionalization of the Human Resources Development Strategy-South Africa (HRD-SA), Skills Development Act (SDA), Skills Development Levies Act (SDLA) and the National Skills Development Strategies (NSDS I; NSDS II and NSDS III). Read together, the SDA and SDLA introduced the Sector Education and Training Authorities (SETAs) and the skills levy-grant system.

This network of policy regiments sought to boost skills development for workers and the unemployed, address the “youth question”, improve labour market access, enhance mobility and eliminate learning stagnation. It was aimed at mobilising investment of resources in education and skills training, accelerate the production of scarce skills and spill-over effects across institutions and industry. Policy outputs were to include among others; improved quality of teaching and learning particularly in vocational and training institutions, expanded workplace training and qualifications, as well as transforming the workforce in terms of race, gender and disability (DHET, Ministerial Task Team Report on SETA Performance, 2013) and supporting efforts to achieve greater equity in skilled and managerial occupations.

Since inception in 2000, three iterations of the NSDS (I, II, III) have provided the framework within which implementing stakeholders, mainly SETAs and the National Skills Fund (NSF), conduct their work. Over the course of implementation, multiple-focused evaluations and impact assessments on various facets of SETA activities have been conducted, some commissioned by government, others funded independently by SETAs, and there is evidence of work done by the individual entities. However, the extent to which the outputs of this work was centrally documented is rather problematic and not readily accessible to users of information. An analysis of public documents and other publications on skills planning reveals that more often, studies observed common trends across the SETAs, and within the Department of Labour (DoL) and Department of Higher Education and Training (DHET). These include among others; limited research capacity, planning inadequacies, lack of standards for data capturing, weak information management and poor reporting.

The Portfolio Committee overseeing skills development in parliament had repeatedly expressed concern that the system is not adequately addressing the skills challenges that are vital for achieving inclusive growth. During the period of NSDS II the concerns were documented in a number of reports for the Presidency and Nedlac and these very much shaped the thinking within DHET as it was formed in 2009 and started the process of developing NSDS III and confronting some of the challenges in the system.

It is noteworthy that each of the NSDS phases was to be implemented and monitored over a period of five years. NSDS II was extended by an additional year to 2011. The NSDS III was initially intended to be for the period 2011-2016. However, it was extended to 2018 and in December 2016 the Minister of Higher Education and Training announced that it would be further extended by an additional 2 years, until March 2020.

## The NSDS

First introduced in 2001, the NSDS heralded a new phase of ‘controlled’ structure for skills development practices, aimed at delivering national development objects. This was to be accelerated through the subsequent launches of the NSDS II and III in 2006 and 2011 respectively. The last iteration of NSDS in 2011 promised to increase qualifications and skills to support national priorities and initiatives such as the New Growth Path (NGP), Industrial Policy Action Plan (iPAP), the HRDS and sector development plans (NSDS III 2011-15, 2011).

Read in concert with other programmes, the new strategy also endeavored to implement equity measures aimed at redressing persistent racial inequalities through expanded access to skills development opportunities and workplace experience. The state-driven national skills development system allocated a key role to SETAs, in partnership with employers and a range of public and private training providers to promote linkages between education and the industry (Kruss et al, 2012; Kraak, 2005).

It is noteworthy that at the time of the NSDS launch, the old apprenticeship system was still in place. The introduction of the learnerships added a new dimension which differed significantly from the old system. The apprenticeship on the one hand, focused on intermediate and artisanal-level skills, and on the other, the new learnerships system provided for a recognized occupational qualification, achieved through structured institutional learning and applied competence developed through workplace-based learning, both at the lower-level (1-3) and higher-level (5-8) bands of the National Qualifications Framework (NQF). They also provided for annual exit-levels enabling people to achieve part qualifications. Learnerships only started to deliver qualified people towards the second half of NSDS I, but by the end of NSDS II they were assessed by the HSRC as being quite effective, with a large proportion (over 70%) of those qualifying being able to find work.

NSDS I can therefore broadly be described as the strategy that launched and established the skills system. NSDS II was characterized by accelerated delivery in terms of numbers of people trained. However, this numerical success was accompanied by widespread concerns that the system was overly bureaucratic, often inefficient and vulnerable to abuse and corruption. NSDS III was initiated at a time when the efficacy and effectiveness of skills development to address national skills shortages and mismatches was under scrutiny.

## Policy and legislative imperatives

There are many pieces of legislation that speak to human resource development. There are various Acts and Regulations related to the provision of education and training at different levels (general, further and higher education), others addressing public sector and public service human resource development and capacity, others related to economic and industrial strategy, special economic zones etc., and others relating to youth employment and training. The intention of NSDS III was that skills development would continue to be defined by the Skills Development Act but that it would also support and complement the overarching government strategy for human resource development and the challenge of achieving the wider socio-economic goals of the country. The following are of relevance to the NSDS III:

**HRD-SA (2010-2030):** Outlines the ‘8 Commitments’ that frame all human resources development initiatives and programmes in the country, and sets targets that are to be achieved over a specific period.

**SDA (No. 97 of 1998):** Section 9 of the Act establishes the SETAs which are required to develop SSPs and implement them by facilitating the delivery of improved industry/ sector-specific skills to contribute towards the goals of the NSDS through learnerships, internships and skills programmes.

**SDLA (No.9 of 1999):** Provides for the payment of skills levy by employers to their respective SETAs. During NSDS III the income from the levy amounted to some R10b a year.

**NSDS (I-II):** Provides a framework for planning and implementing skills development programmes and activities as set out in policy and legislation.

**NQF Act:** Provides for the further development, organization and governance of the NQF, including the establishment of three sub-framework quality councils. The establishment of the Quality Council for Trades and Occupations (QCTO) was of particular importance during the period of NSDS III as the intention was to create a whole new sub-framework of occupational qualifications that would be aligned to the needs of industry and which would assist the skills development project by achieving a clearer focus on occupations and the qualifications needed for them.

HRD is an integral part of many aspects of economic and development policy and strategy, something which was emphasized in the National Development Plan which was published after the NSDS III.

## Methodology

The structure of the baseline study was shaped by the design of the NSDS III, and followed guided questions derived from the ‘problem statement’ for each of the 8 Strategic Goals, Outcomes and Outputs. In some cases, the *Theory of Change* endorsed by the National Skills Authority (NSA) was applied to enable the baseline study to build a *‘case’* and to construct an assumption where data appeared inconsistent and incoherent. In some cases, examples were used to construct scenarios.

Key data sources included public documents such as legislation, DHET policy frameworks and reports, research and statistical reports, a selected number of SETA Sector Skills Plans and annual reports. Hard copies and additional web-based materials were sourced.

## Research Limitations

The following are some of the limitations encountered during the study:

* The baseline study is being conducted few years after the NSDS III was developed and implementation has already occurred. The obvious weakness, or risk, of such a retrospective baseline is that it is open to contestation and different interpretations. In order to manage this risk attempts have been made to triangulate before stating a conclusion, though this was not always achievable;
* Inadequate data sources. There is no repository facility within the post-school education and training sector. Documents such as sector annual reports, Annual Training Reports (ATRs), SSPs and other sector-specific data could not be obtained from most of the SETAs’ websites. Relevant units at the DHET could only provide data sources as they have it, which was significantly inadequate;
* Data from various sources (SETAs) was not seamlessly recorded. Significantly, many of the reports were not structured and aligned to the NSDS framework, which is not surprising as NSDS III was structured differently to its predecessors and in 2010/2011 the reporting requirements were still in line with NSDS II. This misalignment did not help the baseline study as similar data may have reflected different outputs and outcomes from one SETA to the other;
* In many cases, data was not adequately narrated to clarify ‘*how’* certain conclusions were arrived at. This could be attributed to the reported lack of capacity within the system; and
* In some cases, it was necessary to (in retrospect) interpret the available data and state more broadly than is ideal, what the “state of play” was in 2010, so as to at least establish some form of comparator baseline that can be used to measure progress during the period 2011-2016.

There are elements of NSDS III baseline where a broad assessment has had to be made based on available evidence.

# PRESENTATION OF THE KEY FINDINGS

The findings are presented in two parts:

1. **Descriptive Presentation:** Data is presented in accordance with the NSDS III Outcomes and Outputs. The data is linked to specific questions arising from problem statements and where the findings are implied, the *Theory of Change* is applied to provide a better understanding of the underlying assumptions relevant to the objectives of the review. In few cases, quantitative data is recalculated and summarily presented in tables and where necessary, explanatory notes are provided. Due to inconsistent reporting on quantitative data across the various sources, examples are used to illustrate a scenario, and inherent limitations to this option is acknowledged under the section on “Purpose of the Baseline Study” above. Each Outcome has a descriptive introduction and a summary.
2. **Summary of Findings:** This part represents a conclusion, and is presented to reflect the various thematic areas that could be understood to refer to the same or similar topical matter, while lifting specific and substantive areas identified as requiring attention across all Outcomes and Outputs. For example, Outcomes that deal with ‘partnerships’ are aligned and summarily reflected upon as an area that require attention.

## Goal 1: Establishing an Institutional Mechanism for Skills Planning

**Outcome 4.1.1*: National need in relation to skills development is researched, documented and communicated to enable effective planning across all economic sectors.***

The Joint Initiative on Priority Skills Acquisition (JIPSA) recognised in its close-out report that the skill supply environment was fragmented at both national and sector levels. Significantly, it recognised the misalignment between the ‘producers’ (supply side) and users (demand side) of skills (Presidency, 2010). Serious questions were being raised as to whether plans in each sector were based on a sufficient level of understanding of the problems being addressed or the identification of appropriate skills interventions. There was also concern that there was no central collation of data and the credibility of SETA-based research was called into question.

One example of this was the process to develop a “critical skills” list for the Department of Home Affairs (DHA) to base the “critical skills visa” decisions on. There was some urgency to develop the list as DoL had last published one in 2008 and that list was regarded as problematic in relation to its use in issuing visas for foreign workers. When all the SETA priority occupations in demand were listed, many were not viewed as being in short supply at all. In some sectors, obvious (common sense) skills gaps were completely absent from SETA lists. Given that the research into supply and demand mismatches were critical to education planning both for the SETAs and universities and colleges, the understanding within government and amongst stakeholders - particularly in the DHET, Departments of Trade and Industry (DTI) and Economic Development (EDD) - was that the process of both sector-based research and national coordination and analysis of sector-based research were weak and needed attention. The following sets out the situation in relation to each Output linked to the achievement of the Outcome.

|  |  |
| --- | --- |
| Output 4.1.1.1: Capacity is established within the Department of Higher Education and Training to coordinate research and skills planning. | |
| What research capacity was in place in DHET? | The DHET did not have a dedicated Directorate for research and skills planning. Research capacity existed in the Planning Branch of the Department but the focus was on education financial planning rather than labour market supply and demand. The Organogram of the Department shows that the Chief Directorate: SETA Coordination, which fell under Skills Development Branch had three Directorates namely; INDLELA, SETA Performance Management and SETA Support and Learnerships, all of which were filled. (DHET Annual Report, 2010/11). However, no specific research specialist was in the employ of the Department and in particular no labour market, or supply and demand, specialist. Had such a specialist been in place, the role of this person should have been (1) to provide guidance to improve sector skills research; and (2) co-ordinate national skills research, as example skills for the SKA, the Green and Maritime economies, etc., and (3) to facilitate the coordination of research on matters that were cross-cutting or which were issues of importance in more than one sector. |

| Output 4.1.1.2: Sector Skills Plans are professionally researched, provide a sound analysis of the sector and articulate an agreed sector strategy to address skills needs. | |
| --- | --- |
| What was the quality of SSPs in 2010/11? | SETAs were reportedly producing weak SSPs. The HRD Expert Panel appointed in 2010 by DHET to review the SSPs observed that “most SSPs seemed to exist in total isolation of the SETA” and concluded that in terms of quality and professionalism the picture was of “average-to-mediocre work” (HSRC, 2010).  The Impact Assessment of National Skills Development Strategy II conducted by the HSRC noted that reports against targets were not systematically analyzed (Kruss et al, 2012), a weakness traceable prior to the SETAs’ migration from the DoL to the DHET. The NSDS III Implementation Progress Report 2011-2013 highlighted the absence of standards for data collection and inconsistent data capturing across the SETAs as an added challenge to producing quality SSPs (DHET, 2013). There was a great deal of criticism of SSPs, with the exception of a small number of SETAs, not just in relation to the evidence base of the plans but also the lack of stakeholder engagement and buy-in for the plans. |
| How many of the SETAs were producing quality plans? | The HRDC Expert Panel’s *Synthesis Report on the Review of the SSPs* (2010) found that of the 23 SETAs, four SSPs had ‘excellent’ rating; Health and Welfare (HWSETA), Financial and Accounting Services (Fasset), Transport (TETA) and Agriculture (AgriSETA). The Chemical Industries Education and Training Authority (CHIETA) and the Mining Qualification Authority (MQA) were rated ‘acceptable’. Accordingly, the other 17 were too poor for public circulation (HRDC, 2010). These SETAs were subsequently granted a fixed extension period for re-submission and eventually made improvements based on comments from the panel.  It was reported that invalid data was sometimes used, resulting in wrong estimates of skills need and therefore a misalignment between demand and supply (DHET, 2013). Of equal importance was the “extent to which these SSP studies were outsourced to private consultancies who were equally poorly equipped to do the research work. It would seem the competencies to produce good or bad SSPs are evenly spread across the in-house SETA research teams and the private consultancies” (HRDC, 2010).  Among other contributing factors, Workplace Skills Plans (WSPs) were reportedly weak, and concerned mainly with compliance requirements for the purpose of employers claiming mandatory grants. In general, the WSPs focused on immediate shortages, and easy to implement programmes, rather than projected and long-term needs. The number of WSPs submitted was reasonable in respect of large companies, low in respect of medium size companies and extremely low in relation to small and micro companies. The clear majority of very small companies did not submit WSPs and ATRs. So not only were SSP priorities based on poor research and inadequate, and unrepresentative data from employers they were also to a great extent not reflecting the needs of small and emergent businesses. Given that the consensus amongst economic stakeholders was that small business was where future employment growth would be most likely to be located this was viewed as a serious weakness. |
| To what extent were SSPs informing SETA strategies and plans? | SETA targets were not sufficiently informed by analysis of sectoral or spatial demand. Another concern within the DHET was that very often, the SETA strategic plans and Annual Performance Plans (APPs) were not informed by SSPs (SSP planning guides, 2010/11). The problem was understood to be:   * that the planning function in SETAs was split, with Sector Skills Planning and Strategic Plans/APPs being managed by different people; and * when developing the “SETA plan” (Strategic Plans and APPs), little attention was paid to the “sector plan” (SSP). In other words, the allocation of resources in SETAs did not generally take account of the strategy and priorities set out in the SSP.   Effectively this meant that the actual work of the SETAs was not linked to research-based sector plans. Typically, programmes were rolled-out arbitrarily to meet numerical performance targets, with a bias towards metropolitan and affluent provinces. Gauteng, Western Cape and Kwa-Zulu Natal accounted for 60% of all programmes. It is noteworthy that the quality of programmes was not always good, with some reportedly imparting outdated skills sets (Kruss et al, 2012). |

| Output 4.1.1.3: Sector and nationally commissioned research and data is analysed, validated and captured in an integrated database that is accessible to stakeholders. | |
| --- | --- |
| To what extent was research being analysed, validated and captured? | The study found evidence of nationally-commissioned research undertakings, mostly outsourced to research institutions such as the Human Sciences Research Council (HSRC), Non-governmental oganisations (NGOs) and private consultants. Some SETAs had reportedly initiated partnerships with higher education institutions and in some cases, funded the establishment of Research Chairs. It is however not clear how research outputs were analysed and validated. Equally, there is no evidence to suggest that there was an integrated database or accessible repository facility. The difficulties that are experienced in accessing research on skills is evidence of the lack of capturing of research outputs. |

SUMMARY

The above suggests that the research capacity inadequacies within the system compromised the quality of SSPs. This is exemplified by the number of SSPs which were poorly rated, 17 out of 23. On the one hand, the DHET did not have research capacity within the Skills Branch. On the other, SETAs internal research capacity was not strong either. The latter’s situation generally contributed to SETAs’ lack of adequate choices around, or management of, outsourced research services to consultants, most of which were reportedly incapable of delivering quality SSPs. These limitations in turn negatively impacted on the strategic and annual performance plans of the SETAs. Poor SSPs meant that intervention programmes were not aligned to their SSPs, and the implication is that in general not only were SSPs poorly researched, and SETA plans were not based on sector plans, essentially SETAs were allocating resources in a manner that was not consistent with either evidence based research or a well thought out strategy for the sector. It was the view of the Ministry and leadership of the newly formed DHET that SETA plans had become divorced from the strategic intent of the SDA and the NSDS.

## Goal 2: Increasing Access to Occupationally-Directed Programmes

Outcome 4.2.1: Middle level skills needs are identified and addressed in all sectors

Several studies (Singizi, 2007: Nedlac SETA Review, 2008: JIPSA close-out report, 2010) highlighted a challenge in relation to middle-level skills. On the one hand, there was a general recognition of the importance of middle-level and artisan skills in particular in the development of the economy. On the other, there were unintended pressures within SETAs, including the way grants were disbursed and providers motivated to deliver training, for lower-level skills to be prioritized – i.e. qualifications at levels 1 and 2 on the National Qualifications Framework (NQF). Achieving numerical targets was viewed to be much easier when the programmes were for one year or less, and pitched at a level that would be relatively easy for people to achieve.

This was not a problem across the entire system but it was seen to be significant enough to warrant NSDS III having a focus on middle-level skills.

The following assesses the situation in 2010/11 in relation to the planned Outputs linked to the achievement of the overall Outcome.

| Output 4.2.1.1: SETAs research and identify middle level skills needs in their sectors and put in place strategies to address them, particularly through the use of the public FET colleges and universities of technology working in partnership with employers providing workplace-based training. | |
| --- | --- |
| What was the definition of middle-level skills? | Middle-level skills were generally understood to be those at levels 2-4 on the NQF. Higher level skills were viewed as those provided in the Higher Education band (Levels 5-8). With the 2008 NQF Act and the bringing in of 10 NQF levels, higher education remained responsible for levels 5 and above but tended to be more concerned with Bachelor’s Degrees (now at level 6), Honours Degrees (now at level 7), and above. Middle-level has therefore started to include level 5 certificates as well as Levels 2-4 qualifications.  Although methodology was a challenge and there was limited confidence in the research informing the SETA SSPs, SETAs were identifying the middle-level skills in their sectors. In some SETAs these were relevant artisan trades such as chefs, plasterers, welders, mechanics and electricians, and in others, care workers, administrative level staff and various production workers. In general, SETAs did not drive such programmes through public FET colleges or universities. There were some examples of programmes for chefs, Early Childhood Development (ECD) practitioners and artisans that were delivered in part in collaboration with the colleges but these were small in number. These involved Nated-programmes which produced people with some theory related to a trade but not linked to occupational qualifications, and occupationally-directed programmes, and in particular the practical or simulated practice component, which were mainly delivered directly by employer in-house training units or via private providers.  The limited role of FET colleges in delivering SETA-funded programmes was further noted by the Ministerial Committee on SETA Performance during NSDS II, which found that 95% of SETA discretionary funding was devoted to programmes delivered by private providers (DHET, 2012). Although there were examples of the colleges working with employers locally to provide a mix of theoretical and practical learning, these were not large in number. The general picture was one of colleges and universities focusing on the theory and the SETAs funding private providers (including employers with in-house training capacity) to deliver the skills needed by industry.  This challenge was further elaborated in a major OECD report in South Africa (Reviews of national polices for education: South Africa, Feb 2009). The report sets out how public FET colleges mainly focused on theory with little learner access to either good simulated training or actual workplaces where theory could be put into practice. The OECD suggested that this was a serious challenge that needed attention.  SETAs clearly were not viewing public FET colleges as delivery vehicles for programmes in their sectors. |
| What middle-level skills were being delivered? | In 2010/11, SETAs enrolled 129,664 employed and unemployed learners in occupationally-directed programmes, exceeding their target of 83 533 by 46 131. For both employed and unemployed learners, SETAs certificated 120 700, exceeding their target of 52 336 by 68 364. The total number of workers registered in all SETA learning programmes was 80 514. The majority were registered in skills programmes, with 53 839. Of the 81 592 workers who were certificated, 67 654 (over 90%) were certificated for skills programmes. Only 95 were certificated for internship programmes. The total number of unemployed persons registered for SETA learning programmes was 49 150, exceeding the 31 391 target. Over half of these learners were registered for learnerships. Of the 39 108 unemployed persons who were certificated, the majority were certificated in learnerships and Skills programmes (DHET, 2013). It is difficult from data available for 2010/11 to establish which occupational skills were addressed. In the HSRC evaluation of NSDS II the researchers estimated the numbers of people achieving full occupational qualifications each year at some 45-50 000. Of these some 8-10 000 were achieving artisan status. This implies that at least 20-25% of qualifying people were in the middle level category. |
| To what extent were FET (now TVET) colleges working with SETAs and employers to deliver middle-level skills? | To some extent, SETAs annual reports reviewed show that SETAs were involved in some form of training in various learning programmes including learnerships, skills programmes, internships for employed learners. ETDP for example, led training programmes that were rolled out in different provinces, involving provincial governments, private employers and FET colleges. MQA had joint partnerships with Mopani College, Foskor and Palabora Mining Company to train electricians, fitters, boilermakers and diesel mechanics. FP&M had reported a partnership with Northlink College while INSETA had established a formal relationship with a select number of colleges in the Western Cape. However, an analysis of actual spending during NSDS II showed that only about 5% of available discretionary funds was used to fund university and public colleges to deliver such programmes and so the numbers involved were limited. |

| Output 4.2.1.2 Projects are established in each sector to address middle-level skills | |
| --- | --- |
| How many SETAs had projects in place? | The general approach across the SETAs was to advertise discretionary grants and invite applications. During the period of NSDS II there were very few grants given to public TVET colleges. Where projects were established and SETAs deliberately invited colleges to participate there were some projects that were in place that trained some of the targeted learners, generally unemployed or school leavers seeking to enter an occupational qualification. However, SETAs were not required to report separately on provision of training through public colleges, and so it is difficult to state exactly how many SETAs had projects in place. Several annual reports show that some SETAs facilitated the development, submission and registration of qualifications, unit standards and learning programmes on the NQF. They also approved programmes or accredited colleges for the delivery of occupationally-directed programmes, though this does not necessarily indicate that such programmes were actually delivered. |
| What was the monetary value | It is not possible to calculate the monetary value of SETA funded programmes delivered via TVET colleges. However, the total discretionary funds available during 2010 would have been around R10 billion (HRDC Report, 2013) and around 5% was spent in colleges and universities. So, it can be estimated that between R300 million-R500 million was spent in the public education system including the in the TVET colleges. |
| How many learners were benefitting? | Data is not available to determine the number of learners funded to be trained via TVET colleges in 2010. However, by applying the 5% maximum spend to the numbers trained it is possible to estimate the numbers by averaging the spend per learners, then divide R 500 million by the amount of spent per learner. If on average, the Artisan learner grant funding is R46 450, then numbers would have been about 10 764 in 2010. This is a just a guesstimate because learners could have been enrolled in various learning programmes with differing costs. |

SUMMARY

It is evident from the findings that public TVET colleges contribution to skills development was primarily delivering N-courses. However, their focus on the delivery of occupationally-directed programmes accredited and funded by SETAs seems very minimal although there are cases where this was happening. Most SETA funded programmes, about 95%, were provided by private providers or by employers who had their own in-house training capacity. Material resources reviewed confirmed that some SETAs were involved in some form of partnerships with colleges and firms. AgriSETA tended to work with the agricultural colleges rather than the TVET colleges. However, in general the level of delivery of skills through public TVET colleges and universities was low.

Outcome 4.2.2: 10,000 artisans per year qualify with relevant skills and find employment

Artisan development was a priority for the government since it was discovered that numbers had dropped to an all-time low of 4500 in 2006. The JIPSA target, adopted by the HRD Council when it took over the work of JIPSA was to achieve 10 000 per year. This was subsequently increased during the processes leading to the adoption of the National Development Plan (NDP) to 30 000 per year by 2030.

It was always acknowledged that to achieve this number there could not be a reliance on the state to deliver and fund such numbers. The cost of training an artisan was estimated to be around R400 000, and the benefits to employers would be substantial if they could rely on such numbers being trained. There had to be co-funding and partnerships put in place. Some would be public/private, some public/public, but there was a recognition that all artisans are produced by a combination of theoretical and practical training and on the job work experience.

| Output 4.2.2.1: SETAs establish projects and partnerships to enable relevant number of artisan for their sectors to be trained, to qualify and become work-ready | |
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| How many SETAs had partnerships? | In her response to parliamentary questions, the DG of DHET reported that a lot more SETAs had been successful in forming working relationships with colleges, albeit the inconsistencies in their activities (PMG, 2010). Several reports indicate that the number of actual projects specifically delivering artisans was extremely small (National Treasury 2013; Presidency (2010). |
| How many artisans were being trained in these partnerships? | The National Artisan Development Strategy (2013) suggests that 23,200 apprentices were undergoing training in 2010/11. Although data pertaining to partnerships is not immediately available, in 2011/12 when there were just over 24,000 apprentices enrolled, about 70% where in the SETA system.  Partnerships were a catalyst for the realization of the skills development for the economy. They were to serve as a  platform on which accurate information about skills needs could be generated and intervention programmes initiated. One mechanism that aimed to remove the constraints inherited from the structural, economic and political problems of the past took the form of the Accelerated and Shared Growth Initiative for South Africa (ASGISA), a focused and high-level initiative for providing overarching economic development directives. A related initiative – the Joint Initiative on Priority Skills Acquisition (JIPSA) – focused specifically on technical skills development. JIPSA identified artisans as a specific occupational category that experienced significant levels of skills decline. A shortage of 40 000 artisans was identified and a target of training 50 000 artisans was set to be reached by 2010 (Mbatha, 2014).  Accordingly, partnerships had to assist colleges to locate work integrated learning opportunities, workplace placement opportunities, and lecturer exposure to the industry and new technologies (The Presidency, 2010). Such partnerships would lead to the establishment of projects that would accelerate the production of artisans and absorption into the labour market, and their progress tracked and recorded.  Many colleges delivered Nated-programmes that were an important contribution to the theoretical component in some of the artisan trades, but these were treated as entry qualifications to an apprenticeship, not integrated into an apprenticeship or learnership. However, without the 18 months of employment with an employer and the practical / workshop component, it is not possible to qualify as an artisan and so it is not correct to conflate Nated-courses with artisan training. At best the N-courses provided initial introduction to trades and enabled those qualifying to apply for semi-skilled work. Nated qualifications were also viewed by employers as a pre-requisite to entering a learnership or apprenticeship. In that sense Nated programmes played a role in helping people to enter artisan programmes, but played a limited role in the development of competencies required to be demonstrated in the trade test. |
| To what extent were artisan projects established, with plans and being reported on? | Some of the SETAs reports show that there were projects initiated and reported on. However, the extent to which these were undertaken could not be validated due to limited data sources. Given the very small number of projects specifically established to deliver artisan training via public TVET colleges, the likelihood is that very few had actual plans to report against. Most SETAs gave grants to employers to recruit apprentices and to contract their own training provider for the practical /workshop component. There was a serious gap and inadequacy in SETA reporting on artisan training. This lead to some serious problems occurring. For example, the Services SETA put some 5000 people through artisan training during the period of NSDS II, but at the end of the period some 3000 were not certified and a range of problems occurred that were not identified and addressed. Lack of or inadequate monitoring and reporting clearly played a role in this. |
| How many artisans were being trained? | The Draft National Artisan Development Strategy (2013) suggests that 23,200 apprentices were undergoing training in 2010/11. The Artisan programme EPR for National Treasury indicates that in 2005/6 the number of artisans being trained had declined to 4500 a year. In response, an artisan project was established by JIPSA which increased the focus on artisan training. Training of artisans increased substantially the number of artisans passing trade tests from 5 600 (average based on 2000-2009 figures) to 10 000 (average based on 2006-2009 figures). A step-change in output was anticipated in 2009 as higher levels of new entrants to artisans-related programmes completed their programmes (JIPSA Report). |

| Output 4.2.2.2: National Artisan Development Project developed by JIPSA is planned, managed and reported on, with interventions made where blockages occur | |
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| To what extent was the artisan project established, with plans and being reported on? | JIPSA was established to deal with the supply of priority skills which were stagnating the growth of the economy. It functioned as a Task Team from 2006 to 2009 and made significant strides in increasing the number of skilled personnel. Its initiatives were reportedly successful in increasing the number of apprentices in training to become artisans. When the JIPSA close out report was produced in 2010 both the HRD Council and the DHET took its recommendations very seriously. The HRD Council continued to take an active interest, and the Department established the National Artisan Programme at Indlela. So already by 2011, and the start of NSDS III, it can be stated that the Department were managing the transition of the national artisan programme from JIPSA to DHET. |

SUMMARY

As evidence above shows, partnerships proved to be a viable enabler to skills development. The number of artisans produced between 2006 and 2009 doubled, from 4 500 to over between 8000 and 10 000, courtesy to the active involvement of multiple interest parties; business, labour, government, and the NSF and SETAs. However only around 1% of the learnerships and apprentices were being trained at public TVET colleges, and so was the share of funding between the private skills training providers and public TVET colleges, 95% and 5% respectively. The national artisan project was transferred from Jipsa to the HRDC and then to DHET at Indlela and so the momentum built up in artisan development was maintained.

Outcome 4.2.3: High level national scarce skills needs are being addressed by work ready graduates from higher education institutions

Universities educate and provide people with high skills for the labour market, and are a dominant producer of knowledge (DHET, 2011). While emphasis had been on middle-level skills, the labour market was also experiencing chronic shortage in high-level skills, especially in the field of engineering. In 2010, the public higher education sector enrolled about 900 000 students and only 28% of these were enrolled in Science Engineering and Technology (SET) programmes compared to 41 % for humanities-related enrolment. Out of 153 325 undergraduates who passed their studies, only 42 760 students studied SET courses. Across all major fields of study, about 1 421 obtained their PhD degrees. It is worth noting that university enrolment in 2011 increased to 937 455. Of these, 82% were undergraduate students, 5% were at masters level and just above 1% were registered for PhD programmes (White Paper, 2013). Between 2000 and 2010, the average annual increase in enrolment for doctoral or PhD was 6.1%, which was well above 4.6% of all post-graduate enrolment combined (Green Paper, 2012). The low enrolment and success rate was highlighted as a cause for concern and there was a call for the system:

*to function in coherent and coordinated manner with broad common objectives aligned to national priorities. The National System and Innovation, the higher and further education system, State Owned Entities and private industries should create a common overarching framework to address pressing challenges (NDP, 2011).*

SETAs were therefore expected to play a proactive role of identifying such skills, document them in their SSPs and initiate programmes to produce the skills level requirements within their sectors. It was not the task of the skills system to replicate the work of universities but rather to analyse the supply challenges and to intervene to address them and improve the absorption level of graduates into the labour market.

| Output 4.2.3.1: Sectors Skills Plans identify the supply challenges in relation to high-level skills gaps and set out strategies to addressing them | |
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| How many SETAs had identified high level skills? | The SETA SSPs were fashioned around the identification of scarce skills within the sectors. Where high level skills gaps existed, these would be identified through the SSP. Almost all SETAs had identified high-level skills within their sectors. For example, Fasset identified accountants and MerSETA identified engineers, H&WSETA doctors and veterinary surgeons, ETDP Maths and Science teachers, etc. In some cases, clear strategies were identified to address the shortages. Either learnerships were developed and supported, or internships or in some cases bursary schemes were implemented. However, the amount of work done by SETAs via, or in partnership with, universities was limited due to emphasis and concentration on the production of medium-level skills. |
| How many were supporting interventions to address them? | There were indications from the annual reports that SETAs had special arrangements with universities. One such partnership involved the W&R Seta, which focused on senior management who aspired to move up to executive positions. The nature of data capturing in the various reports made it difficult to provide a consolidate number. One of the challenges of involving universities was the process followed by SETAs and the NSF in making funds available. Most SETAs published grant windows and criteria and invited applications for grants. Applications were mainly invited from employers but providers could partner employers and apply. Universities found this process difficult to follow. There is some evidence that where programmes were funded at higher education level they were more likely to be with private higher education institutions than public universities. Given that the majority of SETA funding tended to be on learnerships and apprenticeships, again it was difficult for universities to engage. The business model of a university is generally of students attending classes at a particular campus, rather than the institution supporting an employer employing a person and releasing that person to study the theory. So, the service delivery model militated against the engagement of universities. |

| Output 4.2.3.2. Agreements between SETAs, university faculties and other stakeholders on appropriate interventions to support improved entry to priority programmes, increased work experience and experiential learning for students, and access to post-graduate work. | |
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| How many university partnerships existed with SETAs? | Several partnerships existed between SETAs and universities. Partnerships were not adequately reported by the SETAs as this was not their key deliverable within the NSDS II. Partnerships were only canvassed and emphasised in the NSDS III and the White Paper. However, prior to these there were SETA initiatives, which existed but were not systematically recorded.  Fasset’s annual report for example, revealed that the SETA had multiple projects involving 420 beneficiaries. These involved Universities of Johannesburg and Cape Town, with management support by the South African Institute for Chartered Accountants (SAICA). Of these, 250 learners were funded for a chartered accountant programme. The other transition programme was abled by the support of Deloitte (DHET, 2011). The interesting thing about the Fasset work at higher education level is the way that stakeholders came together to redesign the learning pathway for accountants. Agreement was reached that what had been called “articles” – i.e. the work experience required after completing a Bachelor of Commerce (BComm) – would be restructured into a learnership. In other words, a specific intervention was agreed that would not duplicate university training but would complement it by funding the workplace component. This model allowed, or encouraged, improved equity to be achieved as strict quotas were applied to grants. Whilst there were other examples of such models being developed these were not common across the SETAs and in general the numbers were low. Inseta’s ‘FAIS Fit and Proper Project’ undertaken in collaboration with the Financial Service Board had initiated an articulation project with the University of the Western Cape to facilitate employees who had a Diploma in Wealth Creation at selected TVET colleges to advance to 2nd Year BComm degree (Inseta Annual Report 2000/10). MerSETA was in the process of exploring partnerships with WITS’ REAL and Further Education and Training Institute (FETI) at the University of the Western Cape (Annual Report 2010/11). Furthermore, the SETA had a Memorandum of Agreement (MoA) with NMMU to support rural schools and women in engineering. |

SUMMARY

SETAs were typically involved in supporting specific skills interventions, including bursaries, learnerships and internships. Where high-level skills gaps were identified, the SETAs had the option of providing bursaries or internships as interventions without necessarily entering into partnerships with universities. Where partnerships were entered into, such partnerships appeared to have been sector-focused. However, the scale of such initiatives would not have been high due to SETAs concentration on middle-level skills. Reports suggest that the projects, despite the small scale, have created opportunities for aspiring professionals. So, in 2010/2011 it can be said that several pilots and models had been developed and although numbers were low, the possibility of building serious sector partnerships involving universities was there. However, the SETA and NSF service delivery model, and in particular the annual grant advertising process, was not particularly geared towards producing high numbers of high level skills unless those skills were naturally required by the employers.

Outcome 4.2.4: Relevant research and development and innovation capacity is developed and innovative research projects are established.

Knowledge is increasingly viewed as the core stimulus of industrialisation and economic growth. There is strong emphasis on investment in technology, creation of high-tech industries and human capital development which in turn would stimulate wages, create employment opportunities and global competitiveness (Education Policy Consortium, 2014). Therefore, economic development depends on innovation and technology absorption and a shortage thereof, becomes a hindrance in any economic growth endeavours.

South Africa’s investment in knowledge generation grew three-fold between the mid-90s and 2010. However, the number of research personnel did not expand in proportion to funding, and in 2009/2010, full time equivalent research personnel in South Africa was reportedly around 30 891. During 2009/10, South Africa employed a total of 1.5 full time equivalent researchers per 1000 employed. Most of the research and development were employed by higher education institutions, totaling 3 292. The NDP states that SA should produce more than 100 doctoral graduates per million of the population compared to the current 28 per million per year (Success of the Department Since 2009, Report to Parliament, 2016). South Africa needed a strong foundation of labour market information including credible datasets across the post-school system and labour markets, down to sectoral, occupational and regional levels of analysis. Equally, there was need for strong labour market intelligence: research that analyses dynamics, capabilities and constraints (Reddy and Kruss, 2013).

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| Output 4.2.4.1 Sector Skills Plans identify the focal areas for research, innovation and development. |
| How many SETAs had a research, innovation and development focus? |
| It is on record that some SETAs had a focus on knowledge generation and development. Eight SETAs had been allocated Research SIC Codes by SARS. **Table 1** presents a breakdown of the SETAs and their research focal areas allocated.  Table 1: SETAs with research focus   |  |  | | --- | --- | | SETA | RESEARCH AREA | | CHIETA | Industrial Research, e.g. Fuel Research | | ETDPSETA | General Research (CSIR) and Research and Development | | ENERGY | Industrial Research for Electrical Energy | | FIETA | Forest Research | | H&W SETA | Research and Development | | ISETT | Research development in Electronic Equipment, and Systems | | AgriSETA | Agricultural and Livestock Research | | Services SETA | Market Research and Public Opinion Polling |   Source: SARS (2010) in ETDP Research Organisation Sector Skills Plan Update, 2013/14  There were also reported initiatives involving the establishment of Research Chairs within universities. The merSETA had partnerships (MOUs) with the HRSC, Universities of Bremen and WITS. The SETA had a research venture in collaboration with WITS’ Research into Employment and Learning (REAL) and the Further Education and Training Institute (FETI) at the University of the Western Cape (Annual Report, 2010/2011). Chieta also had in place funding for Masters students in their sector. BankSETA was involved in an International Executive Programme involving the UK/Uganda, Europe/Kenya, USA. In addition, BANK SETA funded 14 PhD and Post-Doctoral students involving various national universities (BankSeta Annual Report). |
| How many such projects had been identified by SETAs? |
| With the exception of the four SETAs identified, it is not possible to state precisely how many actual projects were in place as these were not reported on. However, the numbers would have been very few. High level research was not a priority of NSDS II. |

| Output 4.2.4.2: Agreements are entered between SETAs, university faculties and other stakeholders on flagship research projects linked to sector development in a knowledge economy. | |
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| How many flagship projects were in place? | There is no evidence found of flagship research projects however, as outlined in output 4.2.4.1, at least four SETAs had some research projects or partnerships in place. There were some partnerships but they were not set up as “flagship” projects and there seem to have been no intention during NSDS II that SETAs should intervene in this manner. |
| To what extent were any of the SETAs engaging in the knowledge economy? | An indication from SETAs annual reports reviewed suggests that to a limited extent, SETAs were funding a number of students in graduate and post-graduate programmes. NSF was reported to have made significant contribution, which as per the DHET’s response to parliamentary questions, funded 6 976 undergraduate and 1 200 post-graduate students. In addition, a total of 856 were awarded in partnership with the NRF bursaries to support studies in ‘critical’ skills (PMG, 2011). However, no analysis could be found in relation to the content of what was funded and so the contribution to the knowledge economy in 2010 cannot be assessed. |

| Output 4.2.4.3: Programmes are put in place that focus on the skills needed to produce research that will be relevant and have an impact on the achievement of economic and skills development goals. | |
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| How many projects designed to improve research capacity were in place? | The Department did not have an established mechanism for developing research capacity. The Green Paper on Post School Education and Training, published in 2012, reported that the Department was in the process of developing a model for comprehensive skills planning on a national basis, involving a consortium of research institutions (DHET, 2012). Once established, the nationally institutionalised mechanism would integrate data from other government departments such as the DoL, Departments of Home Affairs, Trade and Industry, Science and Technology, Basic Education, Public Service and Administration, Rural Development and Economic Development, and the Statistic South Africa (ibid). One SETA that did conduct research specifically into skills development research was the ETDP SETA where research organisations is a constituency of the SETA. However, the extent to which this research led to specific projects to build research capacity is not clear. As of 2010/11 no major projects of this nature could be identified. Again, it would be unrealistic to expect to find such projects as this was not viewed as a priority during NSDS II. |

Summary

The ratio of 28 workers with PhD for every 1000 000 people in South Africa was considered very low, and the NDP committed government to scale-up the production of PhDs to at least 100: 1000 000 in 2030. On record, eight SETAs were allocated SIC codes by SARS, focusing on specific research areas within their sectors. However, there is no evidence that specific research initiatives of projects that were linked to the stakeholders. Several initiatives were also underway across several SETAs and the NSF although these engagements were not reported in detail as this was not required during NSDS II. The inadequacies in reporting but also in research engagement across the SETA landscape could be attributed to the absence of a national framework, which was being developed by DHET.

## Goal 3: Promoting the growth of a public FET college system that is responsive to sector, local, regional and national skills needs and priorities

Outcome 4.3.1: The National Certificate (Vocational) and N-courses are recognised by employers as important base qualifications through which young people are obtaining additional vocational skills and work experience, entering the labour market with marketable skills, and obtaining employment

The programmes and qualifications for vocational training in South Africa have evolved over many years, and brought about a mix of qualifications which became too complex to administer (DHET, 2011). Until 1994, and for some time back, qualifications delivered at FET colleges were anchored in the Nated/Report 191 programmes, and had a successful run. Following the introduction of the NC(V) in 2007, the focus on the NC(V) and the drive to expand enrolments in that core programme, led to N-Programmes gradually having their funding reduced, resulting in declining quality and reduced enrolments. In 2011, the total enrolment was as low as 300 000, against a target of 1 million in 2016 and 2.5 million in 2030 NDP (Labour Market Intelligence Partnerships, 2016). What became apparent during the period of the formation of the new Department in 2009/10 was that the NC(V) did not have employer buy-in and although the Nated courses were considered out of date and overly theoretical they still had some traction in the labour market. Employers saw the Nated courses as a good indicator of an interest in certain work processes (mainly semi-skilled occupations) and as an entry qualification to an apprenticeship or learnership. The period from 2007 to 2010 was one of a conflict between a well-intended policy (implementation of the NCV) and the expressed views of employers who signaled the need for a reformed Nated programme or occupational qualifications rather than the NCV. Incoming Minister and Director-General recognized the crisis that existed in FET college provision as is evidenced by the focus on this in NSDS III. The confusion and the declining status and quality led to a call for an inclusive process for its reform through an honest engagement with key stakeholders (DHET, 2011).

| Output 4.3.1.1: The NCV is reviewed with inputs from stakeholders and the curriculum is revised to ensure that it provides a sound foundational basis for building labour market relevant skills. | |
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| What was the status of the NCV? | NC(V) was introduced in 2007 and offered at NQF level 2, 3 and 4 at the formerly FET colleges, and in some private colleges. It was introduced at the time when N-Courses, which were reportedly developed by industry partners were being phased out of colleges. (DHET, 2006). Structurally, NC(V) was understood to have dual outcomes. On the one hand, it enrolled learners who had passed Grade 9 – which was the intention. However, the practice became one where many of those who enrolled in the NC(V) had studied in school to grade 12. In 2009, about 50% of students enrolled in TVET colleges had Grade 12. So, on the one hand the NC(V) was viewed as an alternative to National Senior Certificate (NSC). On the other hand, in practice it was becoming a “second chance” for those who had completed Grade 12 but not obtained a university place. However, some universities were reportedly not recognising NC(V) graduates, except where an agreement between institutions existed. In 2010, the total enrolment for NC(V) was 130 039 across all FET colleges (DHET, 2013). The Labor Market Intelligence Partnership (LMIP) reported that the total number of learners who wrote Level 4 exams was 9 576 (DHET, 2013). |
| To what extent was the NC(V) a recognized qualification in the labour market? | According to an on-line publication by EE Publisher (n.d) on the status of NQF level 4 qualifications, some employers viewed it as not adequate and were reported to have complained that graduates with the NC(V) were less well equipped to enter an artisan trade than those who had acquired a Nated qualification. One of the challenges surrounding NC(V) was the lack of its immediate acceptance as part of the national education and training systems. Other reasons included among others:   * That it did not grow out of an existing system in the way NSC did from old Senior Certificate; * Employers appear to regard themselves as not having been sufficiently involved in its development; * The time to complete makes it unattractive to industry; and * That it was neither a general education qualification nor a purposeful qualification that signifies something specific for the labour market (DHET, 2006).   In retrospect, there were unrealistic expectation of the NC(V). It was never intended to be a recognized qualification other than an alternative (technical) equivalent of a NSC (Grade 12/Matric). Employers complained that it did not provide them with skilled artisans, but this was an unrealistic expectation. In 2010 it was however too early for there to be any judgement as to whether it was working as a technical route to an NSC. What can be said is that the NC(V) started life with very limited buy-in from labour market stakeholders. |

| Output 4.3.1.2 The programmes offered to meet industry needs, including those supporting  apprenticeships and N-courses, are reviewed, updated and made available to and accessed by  employers. | |
| --- | --- |
| What was the status of N-Courses in relation to industry expectations? | The industry-orientated history of Nated can be traced back to pre-1994. Considered anchor qualifications, the courses were offered in trimesters at what were then called technical colleges (now TVET colleges) in partnership with the industry. Organised on a 1:3 ratio, students spent one trimester at the college and two in a practical workplace. Learners were given the opportunity to develop their theoretical understanding whilst simultaneously adapting to work environment. An apparent neglect of the qualification and the employers’ growing lack of confidence in the quality of the curriculum led to the decline in the programmes offerings (White Paper on PSET, 2013). The qualifying rate of apprentices as artisans declined drastically, from 12 933 in 1985 to a paltry 3 960 in 2004 (DoL, 2008). Owing to the decline in number of apprenticeships, colleges began offering the courses without work experience, leading to overly theoretical curriculum without opportunities for practical work (Wedekind et al, 2016). Nated qualifications became entry requirements for an apprenticeship rather than being directly linked to one. |
| To what extent were N-programmes being accessed by employers and workers? | Historically there was a symbiotic relationship between the industry and colleges in programme offering. Typically, the courses would be offered in three months blocks, which allowed artisans in training to be released from their work commitments in order to complete the theory courses. Pedagogically, lecturers were not necessarily qualified teachers. Mostly, they were industry-based qualified artisans “who maintained a primary identification with their trades rather than with the education” (Wedekind, 2016). However, over the period from 2000 to 2010 the number of artisan qualified lecturers declined and programmes tended to be theoretical and delinked from work place training. Although N-programmes continued to be available and accessible to employers and workers, its symbiotic relationship with employers ceased to exist in many respects. The Nated programmes had not been reviewed since the 1980s and had not kept up with developments in industry, and so its value was reduced for employers and workers.  There were some workers assessed as part of RPL programmes, who accessed Nated programmes as part of programmes to obtain qualifications, but there is limited data on this and it can be assumed that the numbers were quite small. Employers seeking to upgrade the skills of their workers were more likely to train them in-house or to contract a private training provider to do this. |

SUMMARY

Generally, there was confusion among skills users on the role of the two programmes. The introduction of the NC(V) led to government almost abandoning the N-programmes. At the same time, the quality of the new programme came under spotlight, with employers complaining that the products of the system were not work-ready. Employers were initially not comfortable with the programme, and technically disowned it in favour of N-Courses. Unfortunately, the decline of quality in N-programmes also led to the industry losing confidence in it. The workplace experience collapsed, with over-concentration on theoretical learning. Symptomatic of the problem was the sharp decline in the production of artisans as explained in earlier parts of this report.

*Outcome 4.3.2: Partnerships between DHET, SETAs, employers, private providers and public* FET colleges are resulting in increased capacity to meet industry needs throughout the country.

Work Integrated Learning (WIL), is considered an essential component of TVET learning programmes, and has positive spill-over effects on several fronts; it exposes teachers and learners to the real world of work, coordinates the alignment between theory and practice, enhances curriculum development. The employer benefits from the improved quality of labour supply while colleges benefit from additional training resources. Learners who participate in workplace based experience and learning often add value to classes where most of the learners do not share such experiences.

The JIPSA Close-Out Report revealed that colleges emerged as a ‘weak link’ in the supply chain of priority skills. Accordingly, the problem persisted beyond their recapitalization. The situation was further exacerbated by outdated curriculum, learning materials, equipment and poorly qualified trainers, which hampered these institutions to provide such skills (The Presidency, 2010). The report recommended that closer TVET colleges/industry linkages be forged for lecturers to acquire modern work practices and keep abreast of industry developments. Partnerships among key role players was considered a key driver for the implementation of the NSDS III, both at systemic and implementation levels. At implementation level, colleges would locate opportunities for workplaces, creating opportunities for lecturer exposure to industry and create opportunities for learner absorption into the labour market. SETAs would play an intermediary or brokering role in enabling and supporting the partnerships.

At the time, the DHET was reportedly in a process of developing a national strategy aimed at promoting awareness and facilitating NC(V) graduates to access work integrated learning and employment opportunities (NSA Skills Conference Report, 2013).

| Output 4.3.2.1: The capacity of FET colleges to provide quality vocational training is reviewed. Each college has a strategic plan in place to build capacity and engage in skills development programmes, including programmes offered in partnership with employers. | |
| --- | --- |
| How many colleges were engaged in capacity building linked to occupational programmes required by SETAs and employers? | A comprehensive capacity building programme including workplace and industry experience had been developed and agreed to with stakeholders. One of the mainstream projects involved the Swiss-South Africa Cooperative Initiative (SACCI) and was instrumental in supporting TVET colleges to establish and maintain partnerships with local companies, running workshops for colleges and facilitating links between colleges and industry. About 15 colleges involved their lecturers in a workplace project. To support the development of the strategy, two initiatives were being undertaken/piloted; a Workplace Based Experience Framework (WBE) involving Taletso FET College, and the National Student Work Readiness Programme through the Orbit FET College (NSA Skills Conference Report). Many SETAs were involved in the process of accrediting colleges to deliver occupational programmes. Technically SETA ETQAs did not “accredit” colleges as their accreditation council was Umalusi and they were “deemed” to be accredited. However, SETAs would evaluate programmes and the process involved some capacity building with the colleges to enable the delivery of occupationally-directed programmes. For example, the ETDP SETA accredited several colleges to deliver ECD practitioner training, Services SETA approved a number of college hair dressing courses, MerSETA accredited a number of colleges to deliver artisan qualifications and CathSETA accredited several catering programmes. So, there was capacity building taking place linked to the ETQA work of various SETAs. MAPPP had 4 accredited programmes with 3 TVET colleges; College of Cape Town, False Bay and Port Elizabeth College and approved 10 organisations to offer workplace training in various learning programmes (MAPPP Annual Report, 2010/11). PSETA had 21 registered programmes (Annual Report). |
| What was the profile of lecturers in colleges (vis-a-vis industry and education skills)? | During the period 2000-2005 most college lecturers were technically qualified but had limited ETD capability. This changed with the exodus of many technically qualified lecturers, and the training of many as educators either via the Bachelor of Education (BEd) or National Professional Diploma in Education (NPDE). By 2010 most lecturers were qualified as educators but did not have the technical skills needed for the training of people in occupational programmes. The 2011 Stats on PSET reported that colleges employed 8 686 lecturers, including full-time and part-time (DHET: 2013). The demographic spread was uneven, with some colleges having far more lecturing staff than others regardless of the total number of student enrolled. A significant number of lecturers were not appropriately qualified. There was no policy on professional qualifications for lecturers and the initial process to do so was interrupted by the restructuring of the previous Department of Education into two national departments. It was reported that in the absence of national vocational teacher training programmes, universities had been offering adapted versions of school-teacher preparation programmes based on Norms and Standards for Educators in schools (Papier, 2008). In her presentation at the New Linkages Conference, Papier further argued that “teacher education in the FET sector should have a vocational pedagogical component which can be represented as ‘a three-legged-pot’: strong subject knowledge, strong teaching methodology and workplace exposure and experience” (CEPD and Bronx College, 2012) There were reported cases of colleges that resorted to employing inappropriately qualified and inexperienced graduates to teach where shortages occurred. |

| Output 4.3.2.2 SETAs identify FET colleges with relevant programmes and put in place partnerships to offer vocational courses and work experience for college learners. | |
| --- | --- |
| How many SETAs had such partnerships in place? | The Singizi Report on the Review of Partnerships and Linkages shows that 11 SETAs were involved in some form of partnerships involving colleges and companies. SETAs’ contribution differed by sector. In some cases, they provided curriculum support, lecturer development and facilitated student placement in industry. In other cases, SETAs invested in infrastructure, resources and monetary contribution. Although the support was spread across the colleges, it was common for multiple projects being concentrated in a one particular college. Programme support tended to focus largely on manufacturing, engineering and technology (SACCI, 2011). Isett Seta for example, had about 7 partnerships with public TVET colleges in four provinces on end-user computing programme at NQF level 3, with 6 active learning programmes (Annual Report, 2010/11), while some had expired prior to the implementation if the NSDS III. |
| How many colleges were engaged in such partnerships? | Data from the SETA reports suggests that all colleges were engaged in some form of partnerships with some SETAs, though not all SETAs were partnering with colleges. For example, the BankSETA reported having partnered with “50 colleges countrywide…providing Financial Literacy Training to learners”. The status of such partnerships was reported either as “an agreement” or Memorandum of Understanding (MOU) or collaboration agreement. Available data does not provide details of employer involvement although it does mention the participation of private providers. It is difficult to establish the extent and depth of partnerships as there was limited reporting on these in 2010. Although there was work done with colleges, it is unclear whether there was substantial work done. The impression given in annual reports is that minimal attention was being given to working with the public TVET colleges. |

SUMMARY

The evidence suggests that at that time, the system didn’t have a comprehensive structure upon which partnerships could be established though a programme was being piloted. The following observations are listed:

* 15 out of 50 colleges (less than a third) were reportedly involved in industry partnership through the SSACI project; and
* Lecturers were not equitably spread across the colleges, and were generally not appropriately qualified.

While SETAs were involved in some form of partnerships with colleges, it is worth noting that inadequate reporting on partnerships between SETAs and colleges made it difficult to ascertain the status and conditions of such partnerships. It is impossible to establish the impact of such partnerships on lecturer improvement.

Outcome 4.3.3: The academic personnel at colleges are able to offer relevant education and training of the required quality.

The quality of college lecturers had been identified as a contributing factor to the lack of quality teaching as highlighted under 4.3.1. The professional body within colleges had different teaching and training qualities. On the one hand, there were lecturers who had teacher qualifications, but lacked industrial experience and exposure. On the other hand, there were industry ‘experts’ who had no pedagogical qualifications and classroom practice. In the worse scenario, some of the tutors did not have the mastery of any of the two qualities. The universities did not have specialised programmes for college lecturers. Instead, they had adapted mainstream teachers training programmes for the purpose. Papier argued at the New Linkages Conference that teacher education at TVET colleges should have a strong subject knowledge, strong teaching methodology and workplace exposure and experience” (CEPD and Bronx Community College, 2012).

| Output 4.3.3.1: The capacity of college educators to deliver programmes is reviewed. Skills development programmes, including work placement opportunities, are devised to meet the needs of the college educators. | |
| --- | --- |
| How many colleges had educators participating in capacity building programmes? | Evidence reported in some annual reports indicated that SETAs were involved in facilitating workplace exposure for lecturers. MerSETA reported in its annual reports that it had even international exposure programmes for college lecturers. CHIETA for example, used its relationship with Western Cape colleges to facilitate lecturers visits to the industry and visa-versa. ETDP had facilitated a partnership between the College of Cape Town and Unisa, funded full-time students to study BEd and Post Graduate Certificate in Education (PGCE) at the Cape Peninsula University of Technology. Further bursaries were awarded for False Bay FET college lecturers to enroll for PGCE and National Professional Diploma in Education (NPDE). In most cases, SETA funding took the form bursaries and skills programmes (Singizi Report). A partnership between Port Elizabeth FET college and the Nelson Mandela Metro University (NMMU) benefitted about 22 lecturers to register for their Masters degrees and 4 Doctorates (New Linkages Conference, 2012). |

SUMMARY

To some extent, SETAs were involved in facilitating capacity building and career development for college lecturers in areas including; obtaining and improving qualifications, on-campus support and industry-based mentorship by experienced industry personnel. However, the general picture is one of limited engagement between SETAs and public TVET colleges. Most of the skills development funded by SETAs were conducted by private education and training providers. Some projects involved colleges in the delivery of sector qualifications, and there was some work done by SETA ETQAs to support accreditation and programme approval, but these were not the norm, nor were the programmes very large or involving large numbers of learners. In general, TVET colleges that did engage in delivery of occupational programmes did so by bidding for work that was put out to tender by the SETAs. The requirement to make application for grants in an open tender process generally militated against public TVET colleges getting involved in SETA funded programmes.

## Goal 4: Addressing the low level of youth and adult language and numeracy skills to enable additional training

Outcome 4.4.1: A national strategy is in place to provide all young people leaving school with an opportunity to engage in training or work experience, and improve their employability.

In 2010/11, the total number of youth who were neither in employment nor in education and training (NEETS) was estimated to be around 3.3 million, (Stats SA 2013, DHET Fact Sheet, 2014). The DHET was expected to establish strategic partnerships with the youth sector to identify skills needs and aggressively initiate integrated interventions that would increase access to preparatory skills programmes.

| Output 4.4.1.1: A DHET-led process, including stakeholders, develops a strategy supported by all stakeholders. | |
| --- | --- |
| What strategy was in place? | There was no strategy in place. |

| Output 4.4.1.2 National database tracks training and work opportunities, and reports on implementation of the strategy | |
| --- | --- |
| Was there a national database? | There was no database in place. |
| What was in place? | Various databases existed in SETAs, in the Department of Labour centres, in provinces, but there was no integration or even coordination of the different data sets. |

| Output 4.4.1.3: The DHET partners with stakeholders in the youth sector to put in place training and work experience projects for young people. | |
| --- | --- |
| What partnerships and plans were in place for young people to access training? | Department did not have a formal partnership with the youth sector, in particular the National Youth Development Agency (NYDA) except that there were reported negotiations to initiate training and work experience projects for young people. Concurrently, NYDA was in the process of developing an Integrated Youth Development Strategy, in line with its legislative mandate that instructs the Agency to promote a uniform approach by all organisations of the state, the private sector and NGOs on youth related matters. (NYDA Act, 2008). The Agency was also involved in multiple collaborations with SETAs though. Among other established youth partnerships, AgriSETA partnered with National Rural Youth Service Corps (NRYSC) on sector-related training.  There is a reported meeting in early 2011 involving the Minister of Higher Education and South African Graduate Development Graduate (SAGDA), the latter being an active partner is facilitation further development and recruitment opportunities for unemployed graduates. However, it was not clear what the meeting sought to achieve and what were the outcomes if indeed the meeting took place.  The HWSETA initiated a Maths and Science Grant to TVET colleges, assisting about 1 325 learners to improve their Grade 12 Mathematics, and assisting in the placement of about 437 unemployed graduates with work experience grants (HWSETA Annual Report, 2010/11). Bank SETA initiated a bridging programme aimed at assisting disabled learners to enter the SETA’s learnership programmes.  According to the NSA National Skills Conference Report, NSF had invested R56.5 million in the DTI Monyetla-Work Readiness Programme for 2010/11 involving the Business Process Outsourcing project. More than 3000 unemployed youth were trained over a period of 10 months. Upon completion, 2 865 (including 50 people with disability) were assessed as competent and 2 467 (86%) were employed (DHET, 2013). |

SUMMARY

Data revealed that there was no strategy or framework for partnerships with the youth sector. This could be attributed to the infancy of the NYDA. Reports about the role played by its predecessor, Umsobomvu Youth Fund (UYF) could not be secured. The AgriSeta initiative may be considered a useful example to assume that there may have been more of those, including those that involved training for multitude of functional SMMEs, CBOs, NPOs and new Ventures.

## Goal 5: Encouraging better use of workplace-based skills development

Outcome 4.5.1: Training of employed workers addresses critical skills, enabling improved productivity, economic growth and the ability of the workforce to adapt to change in the labour market.

Critical skills refer to specific skills within an occupation, that are missing in the current work force or which have become necessary due to production and business changes which require change within the skills sets that workers have. They also include generic skills such as problem solving, communications, report writing, etc. They enhance human relations, responsibility, accountability and contribute towards increased production and productivity. Whereas “scarce skills” generally refer to the skills needed by new entrants to the labour market, “critical skills” tends to focus more on existing workers and the ongoing development of those workers.

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| --- |
| Output 4.5.1.1: SETA stakeholders agree on the provision of substantial quality programmes for employed workers and report on the impact of the training. |
| How many employed workers were engaged in training? |
| While most SETAs reported on training in critical skills, data consolidation proved impossible due to different reporting across the SETAs. In some cases, reporting was generalised without separating ‘critical’ from ‘scarce’ skills. They were reported together with ‘core’ skills programmes. The total number of workers registered through SETAs including; *Learnerships, Bursaries, Internships* and *Skills Programmes* was 80 514. They had exceeded their collective target of 52 174 by 28 340. Skills Programmes had the highest enrolment with 53 839 and certificated 67 654 workers, representing over 90% of all workers trained. Furthermore, Stats on PSET (2013) further reported that NSF had funded 215 skills development projects, and that most of the projects supported the Expanded Public Works Programme (EPWP). The total number of beneficiaries from the NSF-funded project was 106 408, and the majority were involved in Adult Education and Training (AET) programmes. |
| How many employers of different sizes were reporting on workplace training? |
| SETAs reported in their 2010/11 Annual Reports their registered, levy-paying employers and had received both the WPS and ATRs. **Table 2** presents a summary of SETA targets and the actual achievements  Table 2: Seta targets and performance achievements   |  |  |  |  |  | | --- | --- | --- | --- | --- | |  | Large Firms | Medium Firms | Small Levy-Paying Firms | Total | | Target | 3 458 | 4 338 | 23 170 | 30 966 | | Actual | 4 176 | 5 929 | 27 962 | 38 067 | | Variance | 718 | 1 591 | 4 792 | 7 101 | |

2010/11 Data supplied by DHET, Author’s recalculation

Not all levy paying employers were submitting their WSPs and ATRs in 2010/11. As a mitigating intervention many SETAs embarked annually on an awareness campaign, including provincial roadshows, to conscientise employers of such a need and its importance.

| 4.5.1.2. Sector projects are put in place to address specific sector skills gaps. | |
| --- | --- |
| How many sector projects were in place? | According to the NSDS III Implementation Progress Report, SETA skills development projects, funded by discretionary grants, are planned based on SSPs, and set-out in the Strategic Plans and Annual Performance Plans, and this includes employed learners’ skills. In retrospect, SETAs reported learners results per programme; learners who entered the programmes and certificated. In 2010/11, SETAs enrolled 129,664 employed and unemployed learners in occupationally-directed programmes. This was through various sector projects and interventions. It was further reported in the same report that the NSF funded the DTI-BPO&O Training Grant Scheme, which benefitted about 7 050 new workers under the incentive scheme for new investments and expansion initiatives. |
| How many workers were trained in such projects? | In total, 80 514 workers underwent training in the various categories of the training programmes: Learnerships (19 192), Bursaries (6 792) Internships (146) and Skills Programmes (53 839). The NSDS III Progress Report noted that learners who were enrolled in the Training Grants Scheme were 7 050 between 2010/2011 to 2011/2012. It is assumed that such learners would potentially have been enrolled in 2010/2011, although this is not explicitly noted the in the NSDS III progress report that ALL of them were enrolled in 2010/11. |

| 4.5.1.3: Cross-sectoral projects are established to address skills needs along local supply chains aimed at supporting local economic development. | |
| --- | --- |
| How many cross sectoral projects along supply chains were in place? | Such projects were impossible to confirm and ascertain due to the nature of data capturing and information management within SETAs. However, it is generally accepted that SETAs find it very difficult to work outside of their sector. There was a general concern within SETAs and within the DHET that cross-sectoral skills needs were not being effectively coordinated. Some SETAs have used the value chain approach to develop their sector plans, and signal occupations that cut across sectors. However most do not and during NSDS II this was not a requirement. |

SUMMARY

While the baseline could not establish the total number of projects, available data confirms that workers were involved in training funded by the SETAs. In total, 80 514 workers underwent training across the various training programme: learnerships, Bursaries, Internships and Skills Programmes. New workers also benefitted from NSF-funded Training Grant Scheme, which extended beyond the NSDS II phase and benefitted 7 050 new workers. Owing to limited data, it was not possible to ascertain the actual number of projects but only the beneficiaries. Supply chain training could not be identified.

## Goal 6: Encouraging and Supporting Cooperatives, Small Enterprises, Worker Initiated, NGO and Community Training Initiatives

Outcome 4.6.1: Cooperatives supported with skills training and development expand and contribute to sector economic and employment growth

The promulgation of the Cooperatives Act in 2005 led to an extra-ordinary boom in the establishment and registration of cooperatives. The majority were black women and youth-owned, operating across all sectors of the economy, courtesy to the regulation. However, these owners were reportedly vulnerable and weak, requiring high and sustained level of support (DTI, 2005). Such support required well-informed interventions, backed up by needs assessment and analysis. The absence of coordinated support (not only training but access to land, loans, machinery, markets etc.) led to a drastic decline of operational cooperatives, from over 22 000 to just above 2600. To that end, SETAs were mandated through the NSDS II, to identify them, assess their capacity needs and provide support.

| Output 4.6.1.1: SETAs identify in their skills planning research, established and emergent cooperatives and their skills needs. | |
| --- | --- |
| How many cooperatives had been identified? | CIPRO data revealed at that time that there were about 22 030 active cooperatives in the country, of which only 2 644 were confirmed operational, representing 12% survival rate or 88% mortality rate (DTI, 2012). Of these, 19 550 were registered between 2005-2009, courtesy to the promulgation of the Cooperatives Act. The decline in the number of operational cooperatives was attributed to amongst others; lack of training, especially cooperatives that required specialist technical knowledge (Cosser et al, 2012). It was noted that at the time of reporting, about 62% of all cooperatives had not received training in the past two years (DTI, 2012).  Because many co-operatives were formed based on very low turnover and income, most co-operatives were not paying levies to a SETA. Very few SETAs collected detailed information in relation to non-levy paying employers as they did not submit WSPs and ATRs and would have only appeared on the SARS database as a name, without any details of income or nature of work. SETAs have generally not commissioned primary research into informal employment or cooperatives. |
| Output 4.6.1.2: Sector projects are established by sector stakeholders, supported by the NSF. | |
| How many projects were established in SETAs and How many were supported by the NSF? | Evidence in annual reports of some SETAs shows that there was training support to cooperatives. For an example, MQA reported in its annual report that it had invested about R8 333 105 in 185 small BEE organisations. A combined total of 698 involved support by AgriSETA, W&R and FASSET. It was reported that the NSF had established and supported the *Cooperatives Development Facilitators Learnership, which* was broadly implemented across all the provinces, enrolling 220 learners with 118 certificated. AgriSeta reported in its 2011-2016 SSP that it had a partnership with the Department of Land and Rural Development in which the Seta allocated R20 million for training for Communal Property Associations (CPAs). NSF also supported several small BEE enterprises and cooperatives with skills development. However, it is noticeable that there is no specific separation in the data of cooperatives and other forms of “BEE” and “SME” enterprises. In general SETAs had very limited information on micro-enterprises in their sector as research into this sector has been limited and when commissioned tends to be very expensive and labour intensive. So even in those SETAs where some work was being done with cooperatives it was very unclear whether there were actual cooperatives being trained doing actual paid work in manner determined by cooperative principles. |

| Output 4.6.1.3: A national database of cooperatives supported with skills development is established and the impact of training reported on. |
| --- |
| To what extent were cooperatives being tracked and their needs documented nationally? |
| The only reliable source of information was reportedly the Registrar of Companies (CIPRO, now CIPC). The DTI’s Integrated Strategy on the Development and Promotion of Cooperatives (2012) identified broad training interventions as presented in **Table 3** below:  Table 3: Training needs of Cooperatives as identified by DTI   |  |  |  | | --- | --- | --- | | Training Intervention Required | No of Cooperatives | % of Cooperatives | | Sector Specific Training | 154 | 28.21% | | Business Skills | 170 | 31.14% | | Financial Management | 114 | 20.88% | | Information, Communication and Technology (ICT)/Computer Skills | 34 | 6.23% | | Marketing | 74 | 13.55 | | Total | 546 | 100% |   Source: Integrated Strategy on the Development and Promotion of Cooperatives, (DTI, 2012  According to DHET statistics (database), SETAs targeted 422 cooperatives in 2010. By implication, SETAs fell short of their target by 64. **Table 5** presents a breakdown of cooperatives targeted and supported by the SETAs. |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
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| Table 5: Cooperatives supported by SETAs   |  |  |  |  | | --- | --- | --- | --- | | SETA | TARGET | Actual | VARIANCE | | FASSET | 0 | 0 | 0 | | BANKSETA | 5 | 24 | 19 | | CHIETA | 20 | 0 | -20 | | CTFL | 0 | 0 | 0 | | CETA | 100 | 2 | -98 | | ETDPSETA | 12 | 0 | -12 | | ESETA | 30 | 0 | -30 | | FOODBEV | 0 | 0 | 0 | | FIETA | 15 | 3 | -12 | | HWSETA | 10 | 0 | -10 | | ISETT | 0 | 0 | 0 | | INSETA | 20 | 0 | -20 | | LGSETA | 2 | 0 | -2 | | MAPPP | 10 | 15 | 5 | | MQA | 0 | 0 | 0 | | MERSETA | 8 | 59 | 51 | | SASSETA | 5 | 12 | 7 | | AGRISETA | 30 | 37 | 7 | | PSETA | 0 | 0 | 0 | | SERVICES | 100 | 145 | 45 | | THETA | 50 | 50 | 0 | | TETA | 5 | 11 | 6 | | W&RSETA | 0 | 0 | 0 | | TOTAL | 422 | 358 | -64 |   Source: 2010/11 data supplied by DHET, Author’s recalculation  It is observed from the table that 8 SETAs had negative variances (FASSET, CTFL, FoodBev, ISETT, MQA, PSETA, THETA and W&R SETA). Of all the SETAs, six had set targets with zero totals (CHIETA, ETDP, ESETA, HWSETA, INSETA and LGSETA), which implies that they did not have projects in place. Collectively, SETAs fell short of achieving their target of 358 by 64. Almost a sixth of the total. |

**SUMMARY**

The discussion above suggests that while the regulatory framework made it possible for the increased registration of cooperatives, the survival rate was too low, possibly due to lack of capacity and support. The operations were reportedly not systemically monitored. It is on record however, that individual SETAs and NSF had identified cooperatives and supported them with skills training. While it is not clear how these were tracked and supported, the DTI had identified some broad categories for intervention, and target number of cooperatives, including both sector-specific and cross-cutting skills programmes.

Outcome 4.6.2: Partnership projects to provide training and development support to small businesses are established in all sectors and their impact reported on.

There is a consensus among policy makers, economists and business experts that small and medium enterprises are drivers of economic growth. Accordingly, South Africa has a relatively weak small and micro enterprise sector (EDD, 2011). A study conducted in 2004 by the Competition Commission revealed that about 99.3% of South Africa’s businesses were SMMEs and contributed 53.9% of employment and 34.8% to the Growth Domestic-GDP (National Credit Regulator, 2011). The survival of this sectors was considered vital for growth, sustainability of the economy and the creation of the much-needed jobs. Their survival, also depended on the ability of their owners to run them profitably. SETAs were mandated with ensuring that they are provided with the necessary skills, through targeted and tailor-made programmes.

| Output 4.6.2.1: SETAs, through their skills planning research, identify the skills needs of small and emerging businesses in their sector, and promote relevant programmes. | |
| --- | --- |
| How many SETAs had identified the small and emerging businesses in their sector? | All the SETAs had identified and reported the quantum of SMEs, their geographical spread in their SSPs. |
| How many had analysed their needs? | Given that all SETAs with the exception of the PSETA received WSPs and ATRs from all employers sizes including SMEs, it can be said that 22 out of 23 SETAs had analysed the skills needs of some SMEs in their respective sectors.  SETAs had targeted 23 170 small levy-paying firms and received 27 962 applications. Collective data on SETA roll-out was hard to obtain and inconsistent reporting on these further complicated the determination of the exact numbers. For example, what was reported as small and emerging business were sometimes reported in isolation from new ventures or cooperatives. In some instances, they were collectively reported as one. It would seem, that the interpretation of all these categories varied from one SETA to the other. For example, W&R Seta reported funding about 148 cooperatives and over 4500 new ventures. ETDP reported BEE firms and cooperatives collectively, at the same time, reported having funded 446 small and emerging businesses separately. FASSET reported having exceeded its targets in all categories of the firms; small, medium and large. More the 400 SMMEs benefitted from FoodBev funding (FoodBev Annual Report, 2011). |
| How many had developed programmes? | It is unclear what programmes were developed specifically for SMEs. However, there are SMEs that were supported by SETAs through various skills development interventions. Three qualifications were developed and learnerships registered with the purpose of training small businesses or enterprises in business skills. One was a low level business administration programme and there were two New Venture Creation qualifications and levels 2 and 4 on the NQF. The Services SETA promoted these and a number of SETAs funded programmes. |
| How many small and emergent businesses were being supported with skills development? | The DHET database suggests that overall, all SETAs had a target of supporting 4 354 small businesses and had a total of 3 556 were supported through various skills development interventions, with a negative variance of 798. One of the difficulties in establishing figures is that the three qualifications referred to (business admin and NVC) were not always targeted at actual businesses. Very often they were driven by providers who recruited unemployed people who were either interested in establishing a business or more likely obtaining a stipend because the qualifications were delivered as learnerships. Given the lack of tracking of learners generally by SETAs it would be difficult to determine whether the available statistics indicate individuals or enterprises. |

| Output 4.6.2.2: Sector projects are developed that are piloted by SETAs and expanded through partnership funding. | |
| --- | --- |
| How many projects were established and how many pilots were in place? | Data emerging from various sources does not provide adequate details of pilot projects. |

| Output 4.6.2.3: National database of small businesses supported with skills development established and the impact of training reported on. | |
| --- | --- |
| To what extent were small businesses being tracked nationally? | There was no tracking being done |
| Was a database in place? | No database was in place |

SUMMARY

The baseline study observed that there was no systemic tracking and monitoring mechanism for small business activities. It was however reported that despite higher registration rate, most small businesses became dormant due to lack of support. Funding was not easily accessible for majority of SMMEs, largely because of systemic bottle-necks that characterize SETAs’ grants application procedures.

Outcome 4.6.3: Worker, NGO and community-based education programmes are supported and their impact measured and reported on.

For the period under review, South Africa had more than 61 000 registered NPOs, and there were more than 12 000 new registrations annually. Of these, 33 percent were in social services; the aged, children, the disabled, poverty relief, early childhood development, gender and so forth. It was observed then that the benefits of the skills levy hadn’t been harnessed by the non-profit sector on the grand scale envisaged due to administrative compliance regiment within the SETAs. Most organisations were encouraging their staff and volunteers to attend short courses, receive attendance certificates and apply their new knowledge (Brown, on-line publication). Worker Education refers to education organized by or on behalf of the organized labour movement for shop stewards, activists and members. It focuses on raising awareness of socio-economic and political issues facing workers. Often it is not linked to formal qualifications or credits towards SAQA registered qualifications. As such many SETAs found it difficult to fund such programmes. The trade unions were of the view in 2010 that this was a highly neglected area and made the case strongly to the HRD Council that there should be a funded project in support of worker education. It can safely be stated that the level of SETA and NSF funded training was extremely low, though the Department of Labour did provide a substantial annual grant to Ditsela, a training organization specifically focusing on the training needs of trade unions.

| Output 4.6.3.1: SETAs engage with trade unions, NGOs and community-based organisations in their sector and identify skills needs and strategies to address needs. | |
| --- | --- |
| How many SETAs had identified NGOs, trade unions and community based organisations? | About 12 SETAS had identified the stakeholders, targeting mainly NLPEs, NGOs and to some extent constituent partners. Many SETAs were being approached during discretionary fund grant application processes and were awarded grants to NPOs and trade unions. However, the processes themselves (due diligence etc.) were an obstacle to small non-levy paying organisations and community based providers. Also records were not kept that distinguished these groups of grant recipients. |
| How many had documented their skills needs? | SETAs that established partnerships with their sectors stakeholders were reportedly able to identify capacity needs. Based on the intervention made by the SETAs, an assumption is made that the latter did identify and document the needs of stakeholders. How these were documented could not be verified. For example, ETDP SETA had a multitude of projects with different constituent organisations including; 11 FET colleges, Higher Education South Africa (HESA), unions such as National Health and Allied Workers Union (NEHAWU), CCEPPWAWU, SACCAWU and SADTU, the Independent Schools Association of South Africa (ISASA) ECD providers and about 7 universities. AgriSETA reported having established partnerships with about 60 NGOs while FoodBev supported about 115 NGOs (Annual Reports). FP&M had a project aimed at assisting training providers to become accredited. Again the exact nature of the organisation being supported and the nature and impact of interventions was documented in a very limited manner. |
| How many such organisations were benefiting from skills strategies in their sectors? | A total of 15 413 organisations benefitted from the SETAs in 2010/11. The breakdown is as follows:   * 12 988 Non Levy Paying Entities (NLPE), * 1 208 NGOs, * 669 CBOs and * 548 CBC benefitted   The NLPEs represented about two-third of the total number of beneficiaries. |

| Output 4.6.3.2: SETAs establish quality pilot projects. | |
| --- | --- |
| How many projects were being piloted? | There is evidence that there were pilot projects in some of the SETA documents. However, it the absence of tracking mechanisms it was not possible for the baseline study to establish or quantify projects. |

| Output 4.6.3.3: Stakeholders expand successful projects with support from the NSF. | |
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| How many successful projects were identified? | A total number of 325 CBOs benefitted from skills development programme funded by NSF. However, the impact of the intervention could not be easily verified. |
| How many pilot projects became bigger projects as a result of additional funding being found? | The baseline could not determine what constitute a ‘big project’ and therefore was not able to determine the number of such projects. It was observed though that the EPWP was successfully piloted. |

SUMMARY

Evidence suggests that SETAs involvement in some sectors was relatively well established by 2010, reportedly reaching over 15,400 entities, 75% of which were the NLPEs. For the period under review, SETAs benefitted 12 988 NPLE, 1 208 NGOs, 669 CBOs and 548 CBC benefitted from SETAs support. In addition, about 325 CBOs benefitted from NSF funding-projects were reportedly successful, with the EPWP singled-out as a success development. The baseline was unable to establish the total number of pilot projects and their success rate though.

## Goal 7: Increasing public sector capacity for improved service delivery and supporting the building of a developmental state

Outcome 4.7.1. A thorough analysis and reflection is conducted on provision of education and training within the public sector and the contribution of the various sectors

The PSETA was the custodian for the enhancement of ‘transversal’ skills (business of government) to meet the current and future needs of all national and provincial departments, public entities, parliament and legislature. It is mandated with the responsibility for “promoting skills development within the public service sector and participating parastatals and public entities, to facilitate, coordinate and monitor the effective development of educated, skilled and knowledgeable public sector workers that take responsibility for service excellence in the sector they represent” (PSETA Annual Report, 2010/11). In doing so, the SETA was expected to conduct a thorough analysis and reflection on provision of education and training within the public sector and the contribution of the various role players, including Departments that have their line function SETAs such as Health, Education, Local Government, and Agriculture (Public Service Commission, 2009).

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| Output 4.7.1.1: SETAs with responsibility for public sector training conduct analysis and reflection on achievements and challenges. | |
| How many SETAs had a public sector focus? | One of the challenges in identifying which SETAs have a government focus is that although all SETAs have some government interface some only have that in the context of policy direction, not responsibility for the departmental HRD. Also some SETAs may not have responsibility for a line Department. This would be the responsibility of PSETA. However even where PSETA is responsible for the department a line SETA may be responsible for the public entities of the Department. Sometimes in annual reports these distinctions are not clear. However, from the annual reports it would appear that some 13 of the 21 SETAs had government departments and entities as constituent employers. |
| How many had assessed the needs of the public sector? | SETAs had assessed their needs against the categories of occupations developed by the DOL. For example, the PSETA focused on the public sector across the system. However, PSETA did not assess public sector needs itself. Instead, it relied on those profiled and submitted by individual department through their Expenditure Training Reports (ETRs) WSPs and ATRs. About 138 (89.6%) Departments submitted their WSPs and ATRs, while 102 ETRs and 77 QMRs were received from national and provincial departments (PSETA annual report 2010/2011). H&W SETA focused on health and social welfare sector needs of the Departments of Health (DoH) and Social Development DoSD) and identified five skills need for both sectors combined; Home Based Care, HIV/AIDS Awareness, Basic cancelling, STI, TB and DOTS as well as Basic Health Promotion. AgriSETA targeted a range of departments that have impact on agriculture such as Rural Development and Land Reform (RDLR) and Agriculture, Forestry and Fisheries (DAFF) among others. ETDP focused on Education (DOE) and its service entities and constituencies while LG SETA focused particularly on the needs of the local government sphere. Energy and Water SETA focused largely on the industry side of the sector but was also engaging continuously with the Departments of Energy and Water and was responsible for ESKOM as a constituent employer.  PSETA Annual Report (2010/11) noted though, that the SETA could not verify the authenticity of the information contained in the reports submitted by the departments, and remarked that those reports could not be accepted as a true reflection of the skills development initiatives that had been implemented by the stakeholders. |

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| Output 4.7.1.2: DHET leads a discussion on factors impacting on provision and publishes proposals on improving the institutional framework for public sector education and training. | |
| To what extent was DHET leading a discussion on public sector training? | The DHET, DPSA and National Treasury established an Inter-Ministerial Task Team to determine the funding regiment for PSETA. At the time, PSETA was being funded by the Treasury through the Department of Public Service and Administration (DPSA). Key task for the Task Team was to assess the training budget of public service sector employers, the implication for the NSDS III for the sector and the roles of the DPSA that relate to the development of the SSP and its implementation (Annual Report 2010/11). It is noteworthy that PSETA did not receive the 10% of the 1% training allocation from its stakeholders (government departments), which all the other line-Department SETAs received, and was also not receiving the 10% of the 1% given to line function government SETAs. |

SUMMARY

Over half of the SETAs played a significant role in identifying public service/sector skills needs. The PSETA relied on WSPs and ATRs submitted by departments. The role of various line-Departments is evident, and that the Inter-Ministerial Task Team was expected to establish a funding model for PSETA, also for the SETAs that had large government department responsibility but no access the “ring-fenced” 1% of HR allocated within the departments concerned. Consideration is given to the expressed incapacities among the SETAs, and therefore it cannot be guaranteed that the skills identified were adequately and satisfactorily researched. More importantly, PSETA did not have adequate research capacity, with only one researcher (PSETA Annual Report 2010/11). Because of the lack of funding it is probably fair to say that the PSETA was in a very poor state to carry out the huge task of researching and making plans to meet the skills needs of public service employees. Those SETAs with large line departments (ETDP, H&W and SASSETA) were able to reasonably research need from the 10% of 1% that they received to support “Admin”, as this could be a significant sum. However, their ability to impact on skills within their line departments was limited because of the fact that the “9%” of 1% remained in the department.

Outcome 4.7.2: Education and training plans for the public sector are revised and programmes are implemented to build capacity.

The White Paper (2013) draws attention to the role of the public sector in creating opportunities for apprenticeships, learnerships and internships at various levels of government, and the much needed contribution of State Owned Entities (SOEs) to national skills development efforts. The White Paper builds on and explains in more detail what was intended in NSDS III. The challenges were very great. Not only was there a concern that to date the skills levels of public sector employees were not assessed as being adequate for the service delivery expectations placed on them, but the 2007 ANC conference would be expanding those expectations to include a more interventionist “developmental state” role. SETAs worked on plans for this but in most cases limited work had been done to define the skills that would be developed to achieve these ambitious goals, nor were there appropriate funding arrangements to enable any agreed programmes.

The PSETA was responsible for 48 government trades and was wholly funded by the Treasury through the DPSA. It was in 2010 that the Higher Education and Training Minister appointed a Ministerial Task Team to develop a funding model for the SETA. It is noteworthy that due to lapses in governance and operations, the PSETA was eventually placed under administration in October 2010 and re-certificated on the 1 April 2011 (Annual Report, 2011). So to a great extent the institutional capacity to address the ambitious goals of NSDSIII was not in place. This is not to say that no work was being done in departments and entities or by the DPSA. Clearly there was a lot of work being done in the context of the Public Service HRD Strategy development processes and in the departmental HRD units. Some Departments and provinces had their own academies. The challenge is to identify how the DHET and the skills entities were planning to implement NSDSIII, and in the context of what was happening in 2010 it is very unclear what if anything was being done.

PSETA was expected to facilitate skills planning across all government departments. This included conducting research on skills needs, coordinating the completion of WPS and ATRs by government departments and their entities. This would enable the SETAs that are aligned to departments to develop a SSPs that reflects the needs of the sector and sub-sectors. In doing so, PSETA was expected to work in collaboration with the ‘sister’ SETAs such as ETDP, H&W, LG and AgriSETA. The structural alignment of PSETA and its administrative standing at the time meant that the SETAcould only review and report on, rather than promote, facilitate, monitor and evaluate skills delivery within the public service as government department within its scope opted as permitted by the legislation, to retain the 1% of their payroll statutory mandate for training and rolled the relevant programmes out of their own (Annual Report).

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| Output 4.7.2.1. Sector Skills Plans set out the capacity needs of relevant departments and entities | |
| How many SSPs reflected the needs of sector aligned departments and entities? | Most aligned SETAs reflected in their SSPs the needs of their line-departments, from elementary to managerial-level occupations, and their entities such as health facilities (HWSETA), energy plants (ESETA). AgriSETA had a direct role along the production pipe-line, from primary to tertiary products and occupations such as extension officers, critical within the DAFF in relation to support to emergent farmers. Generally key occupational skills needs were identified in the SSPs, with the qualification that the research undertaken to identify them may not have been at the required level in some SETAs. |

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| Output 4.7.2.2: Plans and funding arrangements are agreed between the relevant departments /entities and the SETAs, and are reported on. | |
| What was the funding arrangement in place for the public services in 2011? | Departments were mandated to “ring-fence” 1% of the salary bill for training. PSETA was funded by the Treasury through the DPSA. There were also concerns that the 1% was not fully used as exemplified by unsatisfactory spending rate. Accordingly, many in business were expressing concern about the lack of commitment in government. Negotiations were taking place to establish a system whereby a percentage of 1% would be paid to ‘line-SETAs’ and a percentage to PSETA. The DHET, DPSA and Treasury established a high-level Inter-Ministerial Task Team to address PSETA funding issue.  PSETA Annual Report noted that 102 (89%) national and provincial departments submitted their Training Expenditure Reports (TERs) while 138 WPSs and ATRs were submitted by the Departments. However the capacity of the PSETA to engage with these was limited because of lack of funding and it is very unlikely that funding arrangement to implement programmes were in place except in a few SETAs where there was a history of close collaboration between the department and the SETA. There was a heavy reliance on such relationships and the legislation and regulatory framework militated against active engagement of departments in the work of the SETAs they were located in. Whilst there was a good deal of in-house training being done by departments (for example CPD for teachers and nurses would have been standard in the two concerned departments) most departments were not participating in learnerships and other programmes for new entrants. This is not surprising given the skills needs of existing employees, but it was clearly something that NSDS III was intended to address. The slogan “turn every workplace into a training space” was developed and was intended to apply equally to the public and private sectors. However at this point in 2010 the baseline was set at a very low level. |

SUMMARY

There are a range of difficulties involved in assessing the baseline for the public service and public sector. During the reporting period, PSETA was still placed under administration, and not receiving its funds just as was the case with other SETAs. Technically, PSETA did not control its budget. Despite this, the SETA could secure WPSs and ATRs from the Departments. Overall the capacity of the skills system to address the ambitious outputs and outcomes of NSDS III were very limited.

## Goal 8: Build Career and Vocational Guidance

Outcome 4.8.1: Career paths are mapped to qualifications in all sectors and sub-sectors, and communicated effectively, contributing to improved relevance of training and greater mobility and progression.

A just and inclusive society requires that there are job opportunities for all, and that workers possess the requisite skills to do the job and match those required by the employer. It requires the balance between the skills produced and the response of the industry. Therefore, skills mismatch denotes the types of imbalances that occur between the types of skills developed and those needed in the world of work (LMIP, 2016). Skills supply and demand are not static, they change as the economic structure changes and therefore the producers and users of skills must constantly monitor changes in the structure of employment too. Such should be effectively communicated to the key client, the worker.

| Output 4.8.1.1: Career guides are developed with labour market information from SETAs, addressing sub-sectors within their sector. | |
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| How many SETAs had a career guide in place? | Available evidence suggests that all SETAs had career guides, which took different forms. Events and fares included exhibitions, workshops, seminars, outreach, roadshows, summits, conferences, colloquia, imbizos, career expos, collaboration with colleges, one-on-one meetings and campaigns.  Media involved newspaper advertisements in national, regional, local and industry-based newspapers, newspaper supplements, brochures, magazines, DVDs materials radio, television, web-based publications, trucks and buses adverts, call centres, monthly bulletins and quarterly newsletters, interactive websites, on-live video streaming, distribution of materials to schools and pamphlets. |
| Output 4.8.1.2: Sector stakeholders are engaged and programmes are adjusted to meet the skills and qualification needs to promote comprehensive career development. | |
| To what extent was career pathing informing skills development interventions? | Many SETAs responded by revising and registering occupational qualifications relevant to their sector with SAQA and then promoting these qualifications. One of the challenges is that there are various learning pathways to occupations and because of the lack of collaboration between public further and higher education institutions and the SETAs, there was limited recognition of the differing pathways in career guides. Some SETAs were developing learning pathways that acknowledged the different choices people make and identified specific interventions that the SETA would support in relation to different learning pathways, but many were focused on qualifications developed for the sector, looking to promote particular qualifications.  The issue or articulation of qualifications does not seem to have received sufficient focus. So the issue of people gaining an occupational (SETA developed) qualification and then seeking entry to a university programme was a challenge. In many sectors individuals would find themselves with a qualification that did not enable progression. A good example of this is the ECD Practitioner qualification developed by SAQA through the NSB and SGB processes and resulted in the ETDP SETA funding a large number of learners who gained ECD qualifications only to find that when Grade R became part of mainstream schooling the qualifications they held did not even gain them credits towards a foundation phase B Ed, nor did they enable them access to a B Ed if they did not have the NSC as well. This when a level 4 ECD qualification was intended to have the same value as the Matric. There are many examples of problem choices facing people seeking to access their chosen occupation.  The other problem is that the SETAs are not the main custodians of career development. Schools play an important role as well as education psychologists and others supporting learners. SAQA had an important responsibility at the time that has since been transferred to DHET. Effective career development services required specific types of partnership to be put in place and these were largely not in place in 2010. It can fairly be stated that career development was in a very early stage of maturity, and even where SETAs were developing helpful guides for learners, it was the reality that very little information was communicated to the people that needed that information, namely school, college and university learners. It is also doubtful that career pathing understandings underpinned SETA strategies and interventions to any great extent. |

SUMMARY

All SETAs had career guides which were marketed and communicated through various media. Further review of SETA annual reports (financial statements) revealed that the disparities in resource allocation for marketing and communication were significantly huge in some cases, though not necessarily linked to career development. It was noted that adjustments of qualifications and programmes were conducted by the SETAs to ensure alignment between skills produced and skills required. However the complex learning pathways that individuals follow which includes public school, public and private colleges delivering various FE qualifications and universities were not generally addressed and the specific role of the SETAs was not often clear, except in the specific area of funding SETA/SAQA developed occupational qualifications. In addition the wider stakeholder community involved in careers development services were not well developed or understood. Although it can be said that all SETAs produced career guides and participated in communication strategies and programmes, it is also the case that collectively, the career development stakeholders were not effectively supporting learners and the unemployed to make rational and well informed choices.

# SUMMARY OF FINDINGS

## Research and skills planning capacity

At systemic level, the DHET did not have skills-related research capacity within the Skills Branch, there was no research specialist. SETAs’ internal research capacity was not strong either. Thus, judgement on the commissioning of research services was weak, resulting in research being outsourced to consultants, some of whom were not capable of delivering quality SSPs. This is exemplified by the number of SSPs which were declared unacceptable. Only 4 out of 23 SSPs were rated ‘excellent’. However SETAs were adequately resourced to conduct research, and as was demonstrated by the panel of experts appointed by the HRDC SSPs could be assessed and feedback could be provided that could improve their quality. At a national level the capacity was not in place but the funds were available to establish the LMIP process and put in place national systems and projects. There were also examples of good research and good quality sector plans that could be built on. There was a sense that although standards were not good the potential for improving performance in the key area was there. The necessary resources were in place and progress was already evident at the time. The baseline was low but a good deal of what was needed was already in place or planned.

## Middle level and artisan skills

The development of middle level and artisan skills was a priority in NSDS III but it is important to note that significant progress had been made during NSDS II. Whether NSDS II or the skills system can take responsibility or not for the doubling of artisan numbers is a question for another part of the evaluation, but certainly some groundwork had been laid and progress was being made. The challenge was for the skills system to take responsibility for the work started by JIPSA and to build on the progress made. An important step had been taken in the setting of a target by Jipsa of 10 000 a year. This was subsequently increased in line with the NDP, but already by 2010 the 10 000 target was close to being realised. Questions were being raised as to whether the artisans being produced were the correct ones for the SA economy, about the standards of training and the ability of newly qualified artisans to meet industry needs, and there were debates about the most effective learning pathway for an artisan. However, there was substantial agreement over the need to target resources at the artisan challenge and to drive the programme in both the public and private sectors. Whilst the targets were ambitious, they were clearly achievable and so the baseline for this aspect of the strategy was at a reasonable high level.

## Public FET colleges and skills

Public FET colleges’ contribution to skills development was primarily delivering N-courses. The N-courses were considered important as they often provided an entry qualification to apprenticeships and learnerships. However, following the introduction of the NC(V), funding was diverted to the latter, a move that threatened their existence. Most notably, SETAs did not work closely with public FET colleges and most SETA funded programmes, about 95%, were delivered by private providers. It is noteworthy that the plans set out in NSDS III for the delivery of skills through the colleges were very ambitious, given the very low levels of readiness in the colleges and the lack of recognition of their capability amongst employers.

The capacity of FET colleges was weak. The lecturers were not appropriately qualified, and the extent of lecturer exposure to the industry was low. Partnerships with other key stakeholders were not well articulated and the lack of funding negatively impacted on the quality of programmes and declining number of artisans being produced by the colleges. The introduction of NC(V) programmes led to a collapse of the workplace experiential component associated previously with apprenticeships, resulting in over-concentration of theory learning. In addition to the relationship between the colleges and employers being weak, the systems of SETAs used in the allocation of grants for programmes militated against the involvement of the colleges in delivery of skills development programmes. The baseline was at a very low level in respect of the vision set out in NSDS III.

## Partnerships and Collaborations

One generally agreed understanding of the skills system in 2010 was that it operated on the basis of silos. NSDS was intended to address the silos issue through a strong advocacy of partnerships. However as of 2010 multi-stakeholder partnerships to deliver the required skills sets were not systematically conceptualized, structured, project managed and reported on. The Department did not have a strategic framework for partnerships for youth, universities, colleges, public service, NGOs, cooperatives and SMMEs. SETAs were encouraged to partner but not given any framework within which to do that. JIPSA ushered in a new dimension, namely identifying blockages and bringing stakeholders together to address them, brokering agreements where there were disputes and obstacles. JIPSA’s success brought about awareness of the need for collaborative approach, and the important roles of funders, organized labour and employers. However, the mechanisms for achieving this were not in place and it was clear that in spite of JIPSA’s success partnerships were going to be a big challenge over the period of NSDS III.

## Youth

There had been targets for the prioritising of young people during NSDS I and II and so the number of young people receiving training was substantial in 2010 and a solid base to build on. The challenge was that NSDS III was changing the focus from youth as a proportion of those being trained to the skills system addressing, or contributing to addressing, the challenge of the 3 million NEETSs. This was a substantial change in gear, and one that was going to be difficult to address. There was no clear responsibility within government for the NEETS challenge. Many departments would feel the need to contribute including DBE, DHET, Public Works (EPWP), DSD, COGTA (LED), Small Business, DTI, EDD, and others. However lead responsibility was unclear and the way that the challenge was articulated (lack of skills and employability) seemed to indicate a significant responsibility for the DHET and the skills system. The key was probably to clarify the role of each stakeholder and for each to have relevant and specific targets and indicators. However that was lacking and so there was a huge challenge being taken on and a very limited level of capacity to deal with it. Whilst the numbers of young people trained is a reasonable start, and one that can be used as a fairly well developed baseline, the numbers are very low when placed alongside the numbers of NEETS. It is perhaps necessary to clarify further exactly what was intended in NSDS III before determining the baseline.

## Support to SMMEs, CBO, NPO and constituent partners

There was already a commitment to working with SMMEs during the two previous NSDSs. To some extent, activities were in place to identify SMMEs, understand their skills needs and promote training for them. However, in spite of the reported numbers trained, the reality was that the vast majority of small enterprises did not submit WSPs, did not apply for discretionary funds and generally were not well serviced. So although the numbers reported were evidence of work done with SMMEs, there was little evidence of any impact assessments and evaluation of the programmes conducted by the SETAs. Cooperatives had been registered in large numbers during NSDS II and most had collapsed or become entities in name only by the end of NSDS II. This cannot be placed at the door of the SETAs and there are a range of interventions needed that did not materialize, but the lack of skills was a factor and there was limited evidence of real skills development to support cooperatives. The difficulty in establishing a baseline is that there was (is) no centralized database of small enterprises and cooperatives, there is little evidence of meaningful programmes being delivered to consolidate and grow small and micro enterprises and no tracking mechanism was (is) in place to be able to assess what was being delivered in 2010. There is some evidence that the numbers reported were not really small enterprises at all but rather unemployed people recruited to “entrepreneurial” or “New Venture” programmes.

## The public service

There were already challenges in relation to skills development for effective service delivery priory to the 2007 ANC conference. That conference raised the expectation that there would be an “Interventionist” or “developmental” state, so the challenge was magnified. In 2010 the main SETA involved (PSETA) was placed under administration. There were no mechanisms for ensuring that the skills needs of public service employees would be addressed, nor funding mechanisms to enable new entrants to engage in learnerships and other programmes in the public service. Skills development was taking place but the role of the skills system in that was difficult to define and quantify. A ministerial team was examining funding arrangements but for the public service SETAs at the time NSDS III must have seemed extremely ambitious. The baseline for this set of outputs was at a very low level.

## Career development

It is important to note that career development was an important aspect of skills development but responsibility was not solely with or mainly with the SETAs. There are a range of important stakeholders engaged in career development and it is fair to say that the whole process of establishing a career development service was at a very early stage in 2010. Most SETAs were producing career guides, mainly linked to occupational qualifications within the primary focus of the SETA. It is also the case that SETAs were engaged in fares and other communication activities. However systematic information, advice and guidance was not well developed and NSDS III was attempting to provide a boost to one part of the career development system.

## Data

The glaring and most significant handicap to general planning was poor information management, from data collection to storage. Most of the SETAs websites do not have the documents which define their existence. There is no central repository to be able to research past work, and the lack of a central database is a challenge.

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