

**EVALUATION OF NATIONAL SKILLS DEVELOPMENT STRATEGY (NSDS III) 2011-2016**

**NSDS III Design evaluation**

**Submitted by**



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# Introduction

Signs of whether a strategy might succeed or fail are often evident at the design phase. The evaluation of the design of a strategy or policy is conducted to ensure that the design of an intervention is robust before it is implemented. The National Evaluation Policy Framework (NEPF, 2011) describes this type of evaluation as analysing the theory of change, inner logic and consistency of a programme, either before a programme starts, or during implementation to see whether the theory of change appears to be working. Although the design evaluation should ideally be conducted before implementation has taken place, it is nevertheless an important yardstick to understand the logic and relevance of the strategy.

This design evaluation is concerned with whether there were any evident risks in the blueprint of the third National Skills Development Strategy. It asks the question: to what extent was the strategy design relevant, coherent and technically sound? These three themes provide the touch-stone for judging whether the strategy could be confidently implemented and whether it would be realistic to expect it to achieve its intended results.

A strategy that is relevant must be able to explain what challenges it is responding to. It answers the following questions (adapted from the Guidelines issued by the Department of Planning, Monitoring and Evaluation to evaluate policy design):

* Is there a clear purpose to the strategy?
* Is there a thorough diagnostic analysis of the status quo?
* Have different options (for addressing the targeted challenges) been properly considered?
* Is the target group(s) clearly identified and how they can be defined?

A coherent strategy is one which logically ties together goals, outcomes and outputs and responds to the question: Is there a strong theory of change? A technically sound strategy must be able to answer:

* Is there a good logframe?
* Is implementation properly planned?

This paper collates the critiques of the design of NSDS III from the stakeholder interviews and literature review. Interviewees include those involved with the writing of the strategy as well as those who, while not directly engaged, were within the inner-circles of skills development institutions. Their critiques do of course have the benefit of hindsight. The answers of interviewees are limited in their reliance on their memory of events of more than seven years ago. Moreover, their views are diagnostic of NSDS III’s faults and strengths in a way that the designers of the strategy could not have foreseen. What the policy makers had at their disposal, at the time the strategy was being developed, were various interpretations of contemporary conditions in industry and in education and training. They also had past experience of NSDS I and II, as well as other skills strategies, to draw lessons from. The literature review on the other hand is focussed on the strategic, legislative and policy context within which the strategy was being designed.

The analysis in this report also draws on the discussions over the Theory of Change that was developed as part of the evaluation and agreed with the NSA. The Theory of Change was developed in retrospect, and so could also to a limited extent (given that the TOC sets out accurately what was stated as intended outputs and outcomes in the strategy itself) be influenced by the experiences of implementation, but even with that limitation noted, it provides an important reference point for a critique of the design.

# Relevance of NSDS III

This section of the report assesses the relevance of NSDS III. What informed the strategy? Did it address national policies, strategies and priorities? To what extent did the strategy reflect lessons learned from the first two phases of the NSDS?

## What is the purpose of NSDS III? What challenge was it intended to address?

NSDS III gets its legal mandate from the Skills Development Act (**No. 97 OF 1998 and amended in 2008)** – and so it is meant to fill out how the broad vision of the Act will be met.The purposes of that Act (paraphrased for the purpose of the design evaluation) are:

* to develop the skills of the South African workforce and by so doing improve productivity of employers, the prospect of citizens finding work, possibilities for self-employment and the delivery of public services.
* to increase investment in education and training in the labour market and to improve the return on that investment;
* to encourage employers to provide opportunities for new entrants to the labour markets and to use the workplace as a learning space.
* to encourage workers to participate in learnership and other training programmes;
* to improve the employment prospects of persons previously disadvantaged;
* to ensure the quality of education and training in and for the workplace;[[1]](#footnote-1)

The Act also sets up the institutional architecture to carry out the policy (the National Skills Authority; the National Skills Fund; SETAs; labour centres; and the Skills Development Planning Unit). The NSDS is therefore meant to direct how skills institutions should spend their money, allocate human resources, and target their programmes to meet the aims of the Act. SETAs, for example, are expected to “develop a sector skills plan within the framework of the national skills development strategy” (10a).

There have been three phases of the NSDS. With each phase, plans on how best to achieve the aims of the Skills Development Act were reviewed and revised on the basis of an assessment of the contemporary context, experiences from the previous strategy and changing political priorities.

As the first strategy, NSDS I from 2000-2005, was still mainly finding its way to set up institutions, programmes, systems, processes and procedures. It had a utilitarian optimism in which skills development for individuals would have compounding benefits on industrial outputs, the country’s economic performance and overall social and economic welfare. Partnerships between industry and labour were seen as central to the success of programmes. Given that context, NSDS I facilitated substantial progress towards implementing the SDA.

The second NSDS – implemented between 2006 and 2010 (later extended to 2011) – gave more attention to itemising targets and to the implementation of quality assurance systems. But execution of NSDS II was hampered by mounting criticism of SETAs. Concerns were raised over the capacity of SETAs to forecast scarcity of skills, to develop credible sector plans and to meet targets. There were also instances of maladministration and corruption. According to Singizi ([2007](#_ENREF_12)) and Nedlac, ([2007](#_ENREF_9)) these were a minority of SETAs – 7 of the 25 – but the problem was big enough to call into question the governance of the skills system and in particular accountability for funds being disbursed by the SETAs. This created an environment where there was a major focus on requiring SETAs to adhere to strict bureaucratic processes. As a result of the increasing bureaucracy involved in obtaining support from SETAs, it was reported that many employers were writing off their levies as a tax and not applying for training grants.

Moreover, while SETAs generally paid grants directly to employers, most employers contracted private providers to do the funded training and very often SETA discretionary funds were allocated to training providers based on proposals developed in processes very similar to tenders. An unintentional result was the growth of a massive private market in skills development, described by one senior official as being completely divorced from the intentions of the SDA and national development priorities and plans. Senior officials engaged in reviewing strategy were also concerned that the private market operated in a manner that by-passed the public education and training system and so the potential impact of skills development was reduced.

Therefore, while NSDS II was intended to be demand-driven, in practise it fed a supply-driven system of private provision. There is a sense amongst a number of stakeholders that NSDS II (unintentionally) created a chasm between the intentions of the legislation and the practice. Rather than “directing” skills development, the state had “tinkered” or “meddled” in what is essentially a skills market, and that as a result the achievements have been less than could have been the case ([Kraak, 2013](#_ENREF_7))

These became central challenges for NSDS III to solve, especially in light of the changing political discourse in the ANC following the Polokwane Conference of 2007 where it was resolved to create a more interventionist, developmental state. The ANC’s 2009 election manifesto campaigned to: “Revive the role of state owned enterprises in skills development and training; and place Further Education and Training colleges at the centre of a popular drive to develop skills development for the economy.” That signalled a shift away from private provider skills development and a greater emphasis on the supply of skills through and for public institutions.

While NSDS III was an opportunity to press for a different approach to skills development, many of the interviewees view the transition from NSDS II to NSDS III as a shift rather than a rapture.

One interviewee who was closely involved in the write up of NSDS III recalls two key issues behind the development of NSDS III:

* First was the need to handle education and training in an integrated way. The intention behind the strategy was to use it to build the newly established Department of Higher Education and Training (DHET) based on greater collaboration between branches. Previously, when skills development fell under the Department of Labour, training was workplace based and qualifications were tied to SAQA and the NQF. Meanwhile the Department of Education had never really steered colleges and universities into occupational programmes responding to employer needs. The challenge for NSDS III was to amalgamate the tradition of skills training with that of education. There had to be, explains the interviewee, “a different slant” on skills development.
* Second was the need to broaden skills development from traditional industries and to meet the needs of the wider economy. NSDS III thus aligns itself with economic initiatives such as the New Growth Path, the Industrial Policy Action Plan, the Human Resource Development Strategy and strategies for rural development ([DHET, n/d, pp. Minister’s forward, p3; p9](#_ENREF_1)). The analysis was that the evolving allocation of funds had little relationship with the strategic intent of the levy grant system – namely the upskilling of the workforce to support growth and development. The new strategy was partly intended to rectify this, to bring skills development back into line with, and support, industrial and economic development.

On those two aims alone, NSDS III was ambitious. One interviewee argued that the NSDS III goals seemed overly complex, while at the same time it was never simply or clearly stated that there was a need to improve levels of investment in skills development. If NSDS III did not signal any real change, neither did it focus specifically on the core goal of expanding skills development opportunities for workers.

Because NSDS III is conceptually loose, the search for more specific aims of the strategy often leads to several alternative interpretations. Some examples follow:

* The strategy has both developmental and economic goals – promising to respond “to the needs of the labour market and social equity” ([DHET, n/d, p. 6](#_ENREF_1)). Although these aims are not necessarily in tension, there may be instances of a trade-off between choosing a high skills strategy, which promises higher GDP or specifically economic rewards, and a low skills approach which may hit developmental goals more directly whilst not necessarily contributing to economic goals. This is an important set of choices that were not made in NSDS III, and which have caused some uncertainty in the system.
* NSDS III is not clearly focused in its commitment to either low, intermediate or a high skills approach. All are mentioned and none are specifically given greater priority. Perhaps there is a greater commitment (in terms of the number of specific outputs) on intermediate or middle level skills including artisans, but this is not explicitly stated. There is general agreement amongst interviewees that NSDS III is a move away from learnerships (promoted under NSDS I and II) back towards the apprenticeships system that had nearly collapsed in the period between 2000 and 2006 and was gradually being rebuilt as a result of the Joint Initiative on Priority Skills Acquisition (JIPSA) artisan project. The strategy points out that there had been “an over-emphasis on NQF level 1-3 learnerships, with insufficient progression towards more appropriate (intermediate and higher) skills required for growth sectors in a knowledge economy. There is a need for much more substantial programmes that improve qualifications, support career-pathing, enable greater flexibility and mobility and increase productivity” ([DHET, n/d, p. 5](#_ENREF_1)). Special attention is meant to be placed on intermediate skills: artisanal, technical and professional fields, which the strategy calls “fundamental to the development and growth of our economy” ([DHET, n/d, p. 6](#_ENREF_1)).

However, there are signals in the NSDS III document that confuse this straight-forward message on intermediate skills. On the one hand, the strategy appears to suggest that the urgency is to address those with low-end skills, those Not in Employment Education or Training (NEETs) and unemployed and new entrants. It is mentioned as it’s ‘purpose’ that: “The emphasis is particularly on those who do not have relevant technical skills or adequate reading, writing and numeracy skills to enable them to access employment” ([DHET, n/d, p. 5](#_ENREF_1)).

* But, on the other hand the strategy also says that it will support: “production of priority skills in high-level occupationally directed programmes in the entire skills development pipeline, from universities and colleges to the workplace” ([DHET, n/d, p. 13](#_ENREF_1)). Preference is thus to be given to ‘Professional, vocational, technical and academic learning (PIVOTAL) programmes’. It is worth noting that although this acronym was in some ways a clever way of summarising the intention of the Department it was somewhat confusing in that although it was clearly intended to denote an occupational focus, the word “occupation” does not feature. PIVOTAL could therefore be interpreted as almost any programme that led to a person gaining a qualification that had value in the labour market. Perhaps that was the intention, but it was not explicit.
* There is an intense debate amongst skills development stakeholders as to the nature of technical and vocational training needed for flexibility. Some argue for occupational qualifications where the focus is training a person to do a specific set of tasks within a trade or occupation. Others argue that a broad “vocational” or “technical” education is what is needed. John Buchanan, a visiting academic from Australia suggested to the LMIP colloquium in September 2016 that some middle ground may be needed that enables both to be achieved. However his key message was that we must engage with this discussion and find an agreed approach. The South African skills system seems to have adopted the “narrow occupational” approach without a thorough discussion. There is therefore unresolved tensions between the education and training stakeholders as to how to understand and address the issue of flexibility and ability to adapt to change (LMIP Colloquium Report 2016).
* There are also differences in opinion over whether NSDS III is more of a supply-side or demand-side driven strategy. On the one hand, there was an understanding that NSDS III had moved away from a one-size fits all approach to skills development and was more sectorally-focused. It was therefore responding to the demands of employers in relation to skills. The Minister’s foreword in the NSDS III states: “SETAs must become recognised experts in relation to skills demand within their sector” ([DHET, n/d, p. 3](#_ENREF_1)). Accordingly, as one interviewee explains: “This strategy did not place responsibility for training and education on all role players, the emphasis was on employers and not on the workforce”.

In addition there are skills linked to future industrial strategy and plans that also constitute demand. For example if government decides to develop the maritime oil and gas industry around Saldanha Bay, demand-side planning requires skills to be produced that are not in demand from existing employers but will be when the industry takes off. So demand-driven implies both current and future need. Many stakeholders believed that NSDS III was intended to be such a demand-driven strategy.

But a counter view to the demand-driven approach, is that the focus of the strategy is on ensuring provision (supply) of skills development, specifically because there is much prominence given to supporting, and building the capacity of, public TVET colleges. In other words the driving purpose of the strategy was to make the public colleges and universities more responsive to industry. There is also an undertaking in the strategy to incentivise training and skills development capacity in the cooperative, NGO and trade union sectors, including community and worker education initiatives. There seems to be, on balance, therefore, a shift towards focussing on the supply side and strengthening public sector supply side institutions and programmes, and a move away from the previously articulated strategy of empowering employers to identify need and to respond to that need by expanding training within and for their workplaces – a “demand driven” understanding.

In sum then, NSDS III articulates its purpose in broad terms. That may be a reflection of its ambition. This was not an error in planning but rather a deliberately broad enabling strategy. Rather than choosing between a high, intermediate or low skill-approach; or between a supply-driven or demand-driven strategy, the intention was to cover the range of possibilities. As one interviewee noted, NSDS III was a “policy framework” within which different implementers would select aspects and drive them in their sphere of work. It was not intended to tell every implementing agent what to do. It allowed flexibility within a broad framework of goals, outcomes and outputs. It was acknowledged by most stakeholders that this was welcomed at the time as being a more flexible approach to NSDSII which was viewed as being more prescriptive.

The draw-back, however, of such a wide resolve is that there is no collective pull of resources and attention on a more singular purpose. Many successful skills systems and strategies globally have succeeded because of their clearly defined focus. By channelling resources towards lucidly spelt out priorities, measurable progress can be achieved in those areas. A “policy framework” approach means that stakeholders can interpret the strategy differently and find evidence for their understanding of the strategy from different parts of the document. As one interviewee explains: “Maybe it is fuzzily formulated and slightly contradictory if you think of the equity and competitiveness agenda, but some people in the system are able to nevertheless use it in a way that is probably aligned to the purpose of the Act. So maybe you want something broad, but it allows people to make their own sense. The challenge is that most do not make any useful sense of it”.

On balance, and taking account of the context at the time, having a wide range of aims may be viewed positively. It should be read as an enabling framework, flexible enough for different stakeholders to use according to their particular sectoral needs. In other words it is probably sensible in an evaluation of the strategy to accept the basic intention (to provide a broad enabling framework) and to evaluate it on that basis. Much then depends on how the strategy as a whole is able to be used and read coherently even as sectors choose to follow slightly different paths.

##  Was there a thorough diagnostic analysis of the status quo?

NSDS III was planned and launched just after ruptures in the political and economic contexts. A new administration had been ushered in, in 2009, under the leadership of President Jacob Zuma which had revised election promises at its elective congress held in Polokwane (16-20 December 2007). Policy shifts were, therefore, anticipated. Importantly, there was also an institutional change to effect the skills sector with the establishment of the Department Higher Education and Training. The new department consolidated post school education and training with skills development, which had until then been split between the Department of Labour and the Department of Education. That was meant to unify policy and divergent education and training programmes that had been managed on different logics.

Yet NSDS III, perhaps because it has a 5-year outlook and so does not deal with immediate events, does not offer a situational analysis of these changes. Neither does the strategy document itself reference research that may have informed it. Many of those with institutional memory of the time, do not recall specific research commissioned for the strategy. The document does say that it builds on lessons learnt from NSDS I&II but eschews any examples. There were reviews that those engaged in the development of NSDS III refer to. There was the Singizi report of 2007, the Nedlac review of SETA functioning and performance in 2007, an OECD study ([2008](#_ENREF_10)) of policy in education broadly that made extensive suggestions in relation to both TVET and skills development, the JIPSA close out report in 2010 ([JIPSA, 2010](#_ENREF_6)) and the report of an expert panel appointed by the HRD Council on the quality of SETA plans (2009/10). None of these, however, was commissioned for the purpose of developing NSDS III, nor for establishing a baseline in terms of what had been achieved from 2000-2010. There was a Ministerial Task Team appointed to report on NSDS II implementation and the HSRC conducted an evaluation of NSDS II. Although the reports were not completed in time to influence NSDS III, there were some findings that the policy makers would have been aware of. However the real impact of these two reviews was to some extent lost because of timing. These reports impacted more on implementation than they did on the design of the strategy.

The strategy reads as an unequivocal policy statement. We are left, therefore, to infer its diagnostic analysis from a study of the text and what it says on the purpose and goals of NSDS III. We can reconstruct what evidence was available at the time to see whether there was backing for its goals.

* Goal 1: The strategy argues that there is no institutional mechanism that provides credible information and analysis with regard to the supply and demand for skills” ([DHET, n/d, p. 9](#_ENREF_1)). Although SETAs are recognised to be playing an important role, the issue raised is that no “standardised framework” existed for gathering data on skills shortages.
* This picks up on a concern raised in the Medium Term Strategic Framework which has as Outcome 5: A skilled and capable workforce to support an inclusive growth path. The first Delivery Agreement for Outcome 5 is for the Minister of Higher Education and Training along with other government ministers to “Establish a credible institutional mechanism for skills planning”.
* Research at the time of NSDS III planning does suggest that this was a valid concern. The Singizi Report, for example, raises a concern that in their WSPs, employers recount achievement against plans, rather than reflecting on real needs ([Singizi Consulting, 2007](#_ENREF_12)). The expert panel appointed by the HRD Council advised that most of the SETA SSPs were not of a good standard. Skills planning and research was clearly in a poor shape and needed urgent attention.
* Goal 2 states that: “South Africa’s pool of intermediate skills, especially artisanal skills, is too low to support national and sector development and growth” ([DHET, n/d, p. 10](#_ENREF_1)). In addition, access and throughput in higher education (professional qualifications) is also argued to be insufficient to meet demand in a knowledge economy.
* The argument that artisan skills were in short supply was a widespread one in South Africa during the 2000s. The Joint Initiative on Priority Skills Acquisition (JIPSA) had identified the shortage of skilled and experienced artisans as a critical constraint to economic growth. One of JIPSA’s tasks was to find the critical blockages within the system hindering artisan development and training and then to fast-track their training ([The Presidency Republic of South Africa, 2008, p. 46](#_ENREF_13)). JIPSA itself was a tacit (or perhaps explicit) acknowledgement that the skills strategy had lost its focus on the priority trades and occupations needed for economic growth. The Dinokeng Scenarios also pointed to skills scarcity as a major constraint on growth, with an estimated shortage 300,000 skilled workers in 2007 ([Dinokeng Scenario Team, 2009 p. 23](#_ENREF_2)).

There had also been criticism that employers had placed too much focus on lower‐end learnerships during NSDS I and II and that government had pushed to train large numbers of unemployed youth largely at NQF levels 1-3 ([Grawitszky, 2007](#_ENREF_5)).

Very few people would therefore contest that intermediate skills were a problem, or the need to address this weakness as a matter of priority.

* Goal 3 makes the diagnosis that TVET colleges need to expand and improve their quality of training provision, and that their role in the provision of middle level skills should be expanded. On this goal, the strategy itself notes that research is weak.

Nevertheless, indicators were pointing to a critical need to build capacity in this sector. At the time NSDS III was being written, criticism of the TVET colleges included that they primarily offered theoretical learning ([OECD, 2008](#_ENREF_10)) and that the lecturers lacked the occupational skills needed to train people practically. There had been a recapitalisation programme in the colleges between 2006 to 2009 to help improve infrastructure and to build and equip workshops. There were also efforts to upgrade management, and in particular financial management. But the problems remained. Any extra resources TVET colleges might have received from SETAs were not forthcoming because SETAs were spending grants primarily on private providers or with employers doing in-house training. The public TVET colleges were largely being side-lined in the delivery of occupational or industry-required skills.

There can be little doubt that the public colleges did need to be improved and made more relevant to industry needs, and that a more collaborative relationship was needed between the colleges and industry, and that the SETAs were well placed to contribute to that. Various reports point to the complexity and extent of the challenges. However, these were not explored in the NSDS III document. The commitments seem overly ambitious for a five year strategy, and this is probably due to the lack of detailed research underpinning this particular goal. It is very difficult to understand from the strategy the timeframes envisaged or the mechanisms for achieving the different outputs and outcomes. Because of this it is not surprising that this became one of the most complex and contested of the NSDSIII goals.

* Goal 4 turns to the predicament faced by youth Not in Employment, Education or Training (NEETs). The strategy notes that: “A high proportion of young people who exit school before completing a senior secondary qualification stand little chance of participating productively in the economy” ([DHET, n/d, p. 17](#_ENREF_1)). Although statistics are given on the size of the NEET population, there is no analysis on why the numbers are so high and only the inference that opportunities are closed to them because they lack skills. This view has been contested in that it is the state of the economy and the lack of inclusive growth that is at the root of youth unemployment. Those stakeholders who accept the notion that lack of skills is an inhibiting factor in youth unemployment also point to the poor foundational education that they have when leaving school. They argue that it is very difficult, if not impossible for the skills strategy and system to address this problem, albeit accepting that it must contribute.
* This is perhaps one of the least evidence-based discussions and one of the most critical in relation to strategy. The question “is it possible for a skills system to address the problem of youth unemployment?” (particularly when it was established to address the skills needs of workers and new entrants to employment) was left unanswered in the development of NSDS III. The implied answer is that it can and should be addressed. The problem is that (similarly to Goal 3) the challenge is so extensive (over 3 million young people and growing) that the skills strategy cannot possibly address it in full. The skills system needs to play a role (all stakeholders agree) but the precise role of the skills system, and its relation to other institutions engaged in addressing the challenge, remains unclear. This is implicitly acknowledged by the output relating to developing a national strategy for youth development. This was an important output, which potentially could have clarified the role of the skills system more clearly in relation to what everyone agreed was a national crisis.
* Goal 5 contends that: “South Africa is challenged by low productivity in the workplace, as well as slow transformation of the labour market and a lack of mobility of the workforce ([DHET, n/d, p. 18](#_ENREF_1)). Those assessments can be upheld by contemporary statistics. Much less clear is the argument that this is “largely as a result of inadequate training for those already in the labour market” ([DHET, n/d, p. 18](#_ENREF_1)). There would appear to be very limited research into the skills levels of existing workers, and the suitability of skills to enable workers to adapt to change and achieve career progression. Given that one of the core intentions of the SDA is the expansion of skills development of workers and improving productivity and return on investment in skills, it seems that more research was needed to clarify the approach to the training and upskilling of employed workers.
* Goal 6 also maintains that lack of skills acts as a “key constraint” to the sustainability and growth of small enterprises and cooperatives. Research at the time suggested that there are a range of challenges faced by small businesses, including inability to access finance, premises and machinery, crime, high interest rates, lack of access to markets, certain aspects of labour legislation, as well as both hard (production) skills, business skills and “soft” skills related for problem solving and communications ([Olawale & Garwe, 2010](#_ENREF_11)).

Skills are an important element of successful businesses but the issue of coordinated support also needs to be addressed. Accordingly the challenge was understood as one of small businesses having serious difficulties accessing a range of services including skills development, and in particular the difficulties they faced obtaining access to SETA-funded programmes that were suitable to their needs. So the goal is based on an analysis that was shared broadly. No-one will dispute the need for skills training in small enterprises, nor the difficulties that they faced in accessing training.

* Goal 7 commits to increasing the capacity of the public sector as a way to improve service delivery and build a developmental state. This goal judges service delivery as “often far from the quality that is needed” ([DHET, n/d, p. 21](#_ENREF_1)) and holds that “there is unanimous agreement” that skills gaps in the public sector is one of the reasons for this.

The Strategic Framework for Human Resource Development for the Public Service: Vision 2015, acknowledges that “capacity development in the Public Service has only just begun to make in-roads on performance and service delivery” ([DPSA, n/d, p. 39](#_ENREF_3)). A review conducted at the end of 2006 suggests a number of reasons for this, including that HRD units were generally under-staffed; HRD operations and finance were fragmented; and, the framework of responsibilities in HRD was diverse and sometimes unclear and incoherent. Quality of training was also said to be variable. In addition, while more funds were generally available for training, there were not fully used, in part because of procurement obstacles, or not effectively used.

* Goal 8, finally, notes a lack of career and vocational guidance for youth, particularly at a school level. Research commissioned by SAQA confirms this assessment. It notes that “beyond Life Orientation teachers and community outreach services, there is practically no infrastructure for careers development assistance to most people. The key voids in information and guidance provision are: lack of coordination; no comprehensive, national, independent, good quality, publicly available information; no national strategic policy leadership in the field; no models for systemic Careers Guidance delivery; paltry funding to outreach organisations; and no public recognition that support and accessibility are intertwined” ([Flederman, 2009, p. 25](#_ENREF_4)).

In sum, the status quo at the time of the strategy’s design is drawn in broad brushstrokes. For example, under the section on the purpose of NSDS III, “pressing challenges” are described as “inadequate skills levels and poor work readiness of many young people leaving formal secondary and tertiary education and entering the labour market for the first time” ([DHET, n/d, p. 6](#_ENREF_1)). The strategy does not alert the reader to any data so it is unclear whether that conclusion applies across all sectors. There is also no baseline from which to judge targets and improvements.

In its defence, NSDS III is a political document and not a research report. It takes as its starting point that the analysis of the status quo is generally accepted as stated. But without a research bibliography, the consensus amongst interviewees seems to be that as a result, there was inadequate evidence gathered through research as a basis for the strategy. Even those most closely involved in the development of NSDSIII accept this weakness, explaining it by reference to the fact that at the time the research should have been conducted (2008-2009) attention was on creating a new department and managing the transition of skills to the new department, rather than researching for strategy post 2010.

As a result, many respondents in the stakeholders interviews did not believe the strategy was sufficiently needs driven. As one interviewee points out, targets were based on national policy imperatives but without consideration of the impact of the financial crisis of 2008 and the ensuing economic recession or analysis of the markets and the various pressures on companies and on their approach to skills development. There are many strongly held views about the “good” elements of the strategy and its “weaknesses” but none are supported by sound evidence of what was needed and whether the proposed focus of the strategy would address the needs.

Overall, there would appear to be enough of an analysis and evidence base (contained, but not referenced, in NSDSIII) to enable a level of confidence that the strategy was targeted correctly. However the absence of a baseline was a problem and is a weakness. It is understandable in the context of the 2009/10 changes, but nevertheless should have been developed. Without the baseline it is difficult to measure progress.

## Were different options properly considered?

Alternatives to the existing version of the levy grant system or model do not appear to have been considered in the development of NSDS III. It may, nevertheless, be worth speculating over what the alternatives could have been in order to test NSDS III’s relevance. The following are presented based on views expressed by stakeholders as well as drawing on successful strategies internationally. They are not intended to signal preferred strategies, but rather to illustrate what might be termed “options analysis”, a stage in policy development that appears to be missing from NSDSIII.

* One option was not to continue at all with a third phase of NSDS since several other education and training and HRD strategies were being implemented that overlapped with many of the aims of NSDS III. The Joint Initiative on Priority Skills Acquisition (JIPSA), for example, launched in March 2006 and officially concluded in 2009, used various forms of persuasion and inducements to encourage the provision of priority skills to meet the Accelerated and Shared Growth Initiative for South Africa (ASGISA objectives). It was short-term, targeted to a limited number of priority skills and co-ordinated skills activities amongst a number of partners. It also appears to have been quite successful, particularly in reviving artisan training and putting other priority skills on the national agenda. Yet, it appears to have been rolled-out with little reference to NSDS II.

JIPSA was replaced by a revised Human Resources Development Strategy (HRDS) (2010). The HRD Strategy takes in the whole Human Resource Development system and therefore has a scope broader than the levy-grant institutions, though like NSDS, its aim is to direct skills towards meeting development targets.

Another policy lever with overlap to NSDS was the National Skills Accord (of the New Growth Path) of 2011 which commits both government and business to developing artisans and drives a preference for training in TVET colleges, steering the skills development levy in their direction.

Finally, during the period of NSDS II, there was the emergence of provincial skills strategies, with coordination being provided from the Office of the Premier. Increasingly provincial planning has been an important part of strategy though not explicitly acknowledged. Some skills specialists argue ([Kraak, 2013](#_ENREF_7)) that skills strategy has to be more locally based and that the idea of national and sector strategies that apply all over the country is unrealistic.

All in all the approach was to continue with a further NSDS without considering whether (in the light of other overarching strategies that were in place), whether an additional strategy was required.

* A second policy option might have been to make the strategy more regulatory and directed. As it was, the skills development strategies were designed to provide strategic guidance on how the money collected from a skills levy on employers ought to be used. The strategies were therefore specifically meant to influence – rather than legislate or dictate – the spending decisions of the SETAs. Industry is incentivised (by various means including BEE points, tax benefits and SETA grants) to become involved in training.

An alternative might have been for the state to take a more forceful lead on skills and tighten up legal and financial obligations on employers to offer workplace-based training. This was certainly signalled by the resolutions of the ANC 2007 conference. Arguably NSDSIII is more “state driven” than NSDSII and so perhaps this option was considered and adopted to some extent, but the rationale is not clearly set out or articulated in the strategy.

* Finally, there were a range of options to changing the strategy that fall between an outright abandonment of NSDS III and making it more prescriptive. The strategy might, for example, have chosen to fund skills on a project basis rather than through grants. A project-based approach was demonstrated in government’s Strategic Infrastructure Projects (SIP) where skills are to be developed in parallel to large-scale infrastructure programmes. One possibility would have been to develop an agreed list of projects that would focus on key priorities linked to the economic and industrial development of the country and to focus all available resources on delivering within those defined projects. The overall goals and outcomes might not change, but the strategic approach would be very different to the grant system that is currently in place. Employers would signal their interest in participating in carefully designed and managed projects rather than apply for grants to do their own training.

Another possible deviation from the strategy might have been a targeted approach in which specific skills are identified as in short supply and interventions or programmes are designed to address those gaps. JIPSA was such an example. The current discussions on occupational qualifications are pointing in that direction.

Some of these alternatives to the form NSDS III took may not have been realistic options. Big and sudden changes to the institutional organisation of skills development would have destabilised a sector already faced with administrative shifts and renewed efforts to reorganise the SETA landscape. The policy intention was clearly to achieve a shift in direction and emphasis rather than a complete overhaul of the system. Moreover, NSDS III was constrained by decisions made at the ANC Polokwane Conference in 2007. But even if alternatives were not considered sensible or pragmatic, NSDS III does not clarify why the currently configured skills system is the best one relative to other systems, nor does it motivate why the basic infrastructure and capacity that was under such heavy criticism at the time, should remain in place. The absence of options analysis or discussion makes for a fragile public consensus that can come unstuck in implementation. One senior official in the DHET worried that the lack of consensus on skills strategy would inevitably result in resistance. If people disagree they will find ways of undermining implementation. For example, industry may reject the levy grants system and write the levy off as a tax – a form of passive resistance. Or there can be a general refusal to cooperate with changes resulting from the strategy, even taking the government to court – a more active way of showing unhappiness. Whilst the timing was not conducive to the consideration of options and the brokering of consensus around a preferred strategy, nevertheless it is necessary to state that this was a weakness.

# Coherence of NSDS III

This section reviews the NSDS III for its coherence. Is the design of the strategy conceptually clear? Is it underpinned by a sound Theory of Change and are the assumptions correct?

## Is there a strong theory of change?

Interviewees indicated that the strategy never fully detailed its Theory of Change. It did set out strategic goals, each with strategic outcomes and for each outcome a number of outputs were listed. It therefore signalled the chain of events that would deliver on mandates – how a range of outputs would lead to various outcomes and eventually lead to wider impact. Because of this it was relatively straightforward to develop a Theory of Change for NSDIII, basically drawing on the specific outputs and outcomes set out in NSDS III. The outputs and outcomes are not set out in “TOC-speak” but the intentions of the strategy are clear, and so although TOC was not common parlance in 2010/11, it was there in the strategy.

Nevertheless, because the TOC was not explicit, sectors (at least those able to) would inevitably interpret the strategy differently and elaborate their own TOC. The absence of a TOC and effective communication strategy to mobilise around the desired results meant that the TOC was not a strong one that was fully understood or owned by stakeholders. Sectors would clearly be able to react to the demands expressed in their specific contexts detracting from a consolidated national vision. As one interviewee declared: “It is a shopping list, that is all”. Another calls it a “wish-list”. In fact policy makers certainly did not intend it as such – they had clear ideas as to how the strategy would address some key challenges. But the absence of an explicit TOC allowed for that perception.

This continues a criticism made of the earlier iterations – of NSDS I & II. Marock writes: “Successive National Skills Development Strategies (2000–2005, 2006–2010) have been criticised as being focussed on targets, reflecting a wish list of national stakeholder requirements and a balancing of different interests, rather than providing a strategic focus for skills development intermediaries” ([Marock, 2010](#_ENREF_8)). This criticism of NSDS I and II can be said to also apply to NSDS III. It would seem that at a policy level there are real difficulties in prioritising and focusing, so as to bring about a more realistic chance of achieving the desired “change”.

NSDS III’s coherence is based on outputs grouped with each of the eight goals – and that is how its TOC can be (re)constructed. But there is less consistency between each of the goals and between the goals and overall purpose. This again is a result of NSDS III’s flexibility, its broadly stated purpose. Without a firm declaration on whether the strategy is supply or demand-driven; whether it is focused on low, intermediate or high skills; whether it supports a mainly economic or a mainly developmental agenda, the strategy’s goals can be associated with different interpretations of the global purpose. It is therefore important that the strategy has a technical plan that directs implementation so that the logic holds across purpose, outputs and outcomes.

## Were the assumptions made realistic and appropriate?

There are a number of assumptions that are either explicitly stated or implicit within NSDS III. The drive to link skills strategy to industrial strategy implies that industry and industrial strategy stakeholders will be supportive and engage in achieving this. In determining to expand artisan training the assumption is that demand is there and that there will be a big expansion of workplace training opportunities. The attempt to shift skills provision from private to public providers implies a will and capacity to achieve that within public colleges, and that employers will put aside their reservations and collaborate. Notions of a developmental state underpin the goal on the public service, with the assumption that there will be greater levels of collaboration between departments and entities and that there will be partnerships forged to equip officials with the required skills. There is an assumption that the NSF and SETAs will rise to the occasion and significantly raise their game and that SETA stakeholders will be keen to align their work to government programmes and priorities. There is an assumption that progress will be monitored and that there will be interventions and corrective action taken when progress is not what was expected.

In retrospect these assumptions may appear to be over optimistic. A risk analysis would have signalled some difficulties that could be expected. Each assumption or risk needed a strategy or plan to address it and there was no indication in the strategy of the work that would be carried out to achieve what was needed. This is not to say that the assumptions were unreasonable or wrong, but rather they were of such a nature that they required a plan of action that was missing from the strategy.

# Technical soundness

This section assesses whether the design of the strategy ticks off the technical aspects of an implementation plan. Is it clear what activities must be carried out and who carries responsibilities for ensuring the plan is implemented? Is there evidence that a risk analysis has been done?

## Was there a good log-frame?

The strategy document does not include a log-frame. A log-frame – a planning matrix – ought to structure implementation into its basic components, providing an overview of goals, activities and anticipated results. It should show linkages between various outcomes and stages in the implementation. It should also set out indicators and measures that clarify exactly what will be measured and how. These were needed, but the designers of the strategy assumed that the process of developing an implementation plan and log-frame would follow. The assumption was that the Department would provide guidance on implementation planning and ensure that all the elements of a log-frame were covered, but not at a strategy level. This would be done by implementers, namely the SETAs, NSF and QCTO/NAMB. They were all required to have Annual Performance Plans (APPs) in place which include SMART indicators and so indirectly NSDS III had some 23-25 “log-frames”. In practice it is now accepted that this did not happen and this is a weakness.

NSDS III was thus not a prescriptive “plan” where specific targets were set for implementing institutions to address, but rather set out to explain in clear terms what the strategic outcomes were that needed to be addressed, allowing SETAs and other stakeholders to set the targets and define their specific contribution to the achievement of the goals. The eight goals are presented in a manner that enables, on the one hand, a degree of clarity on what is required but, on the other, a level of freedom within which to mould the policy to local and sectoral needs. If the strategy is understood as a broad framework, then it makes sense for the actual implementers to have the log-frame rather than the strategy itself. Nevertheless the absence of clear guidelines from DHET on who would be responsible for what, meant that even after the development of Strategic and Annual plans the strategy as a whole never developed clearly defined indicators and measures which could be used to assess progress.

## Was implementation properly planned?

Without a centralising planning tool (a log-frame), it appears institutions struggled to interpret the strategy and convert it into an implementation plan. Several criticisms were made by stakeholders:

* NSDS III does not clearly state who is meant to take responsibility for each outcome. It does not even identify “lead” implementers. Whilst it is clear that overall the SETAs and the NSF are responsible, it is not clear exactly who would do what. One concern expressed by stakeholders is that all SETAs seemed to be expected to contribute to all the goals, regardless of their relevance in the sector. For example some sectors do not employ artisans but were expected to contribute to their training, others focussed on the public service but were expected to support SMMEs etc. Detailed implementation planning might have resulted in allocations of work based on different sector contexts.
* The strategy targets various groups of beneficiaries and these are not always clearly demarcated. There is a danger that plans to support one group, overlap with planning for another. An interviewee explains that: “Each objective and goal tries to target a particular group but the interface between those is difficult to manage in the way that it’s been done; e.g. there is an indicator of placement of TVET college students and another indicator for the placement of 30,000 artisans/year. This assumes that when you place TVET College students, that they are not apprentices on a path to becoming artisans, and yet college students could be apprentices, then there is a potential dislocate between the 2 indicators”.
* Some stakeholders question the focus on benefiting unemployed people and learners in the public education system, suggesting that the original intention was to target employers to expand training, incentivising them to upskill workers and in so doing achieve more productivity. The concern is that in trying to address many different clients and beneficiaries the central purpose of the skills strategy and system was being lost. Whilst in the context of the political environment that pertained in 2009/10 the inclusion of a wide range of beneficiaries is understandable (perhaps unavoidable), it is certainly the case that in spreading the net very wide the strategy was trying to do too much and therefore would therefore not have the intended impact.
* There is emphasis in NSDS III on research and evidence-based planning for new skills needed by the labour market (Output 4.1.1.2 states that:“Sector skills plans are professionally researched, provide a sound analysis of the sector and articulate an agreed sector strategy to address skills needs”). However, there is no plan for how this would be achieved especially in view of the doubts raised by earlier studies (([Singizi Consulting, 2007](#_ENREF_12)) and ([Nedlac, 2007](#_ENREF_9))), and by interviewees on the capacity of SETAs to carry out skills planning.
* Although the intention was to strengthen linkages between SETAs and industry, NSDS III did not make clear how this would be done. There is no unit within DHET playing a co-ordinating role and so responsibilities are fractured between different units. For example sector skills plans are coordinated by “SETA Support”, Strategic Plans and Annual Performance Plans by “Public Entities” within the office of the CFO, whereas quarterly and annual reporting is the responsibility of “SETA performance”. Some aspects of SETA work (for example the critical aspects of skills planning - LMIP and career development - are located in the Planning branch. The approach to skills development is experienced to be quite piecemeal and without co-ordinated leadership. Explains one interviewee: “Role-players – providers, employers, learning institutions are still operating independently from each other. There is little sign of the strong partnerships that were anticipated”. The strategy itself is silent on the nature and intention of the proposed partnerships. In the absence of this the likelihood was that partnerships would take vastly different forms and focus on many different outputs.
* There is not a clear link between objectives and numerical targets. Some argued that targets were set by DHET without any relation to the actual needs of industry or the sector. There was a view amongst interviewees that DHET was dictating targets to stakeholders, rather than consulting and engaging with them. The speculation was that targets were enumerated based on the number of spaces available in colleges. Moreover, sector priorities appear to have been lost to national targeting.

Although there was consensus that during NSDS II there had been too great a focus on numerical targets, and that NSDS III should focus more on quality and outcomes, in practice this was difficult. Major stakeholders, including the Portfolio Committee would frequently raise questions on targets and achievement against the targets. DHET found itself pushing targets and putting pressure on SETAs to deliver, even if there was no demand in their sector. Implementation thus became procedural and compliance driven.

It is interesting to note, however, that there was only one clear target in NSDS III and that pertains to artisans. That very clear target was achieved during the period of the strategy and in fact increased in line with the NDP artisan target of 30,000 by 2030. Perhaps other outputs and outcomes could have benefited from clearer targets. It is also the case that numerical targets would not have been appropriate in the case of all the outputs and outcomes. Nevertheless some measurable targets could have assisted.

* There are no timeframes are set out for achieving the stated outputs and outcomes.. One interviewee notes that: “We need to start stabilising the strategy we are implementing as the experience of the SETAs is that once we try and keep up with the strategy, another one kicks in. You can’t assess impact when the goal post keeps shifting.”
* Some of the outputs and outcomes would take many years to achieve – far more years than the five year planned life of NSDS III. Some of the outcomes are not viewed as realistic within the period 2011-2016. For example the intention to capacitate colleges and develop college programmes that are accessible nationally and valued by industry is a long term aspiration, not something that can be achieved in five years. It is difficult to build support for a shift to college provision of skills when so many stakeholders have no faith in the ability of the colleges to deliver. A more realistic set of outcomes for the five years and a longer term approach may have engendered more support for this important aspect of the strategy.
* Questions were raised on whether implementation of the strategy had sufficient resources and HR capacity behind it. (For example, there is no allocation provided to develop the capacity of TVET colleges or universities to respond to NSDS III e.g. for lecturer development). Some interviewees went as far as to doubt that proper consideration had even been given to a business plan for implementation.
* One of the challenges during NSDS III (according to several interviewees) was that there was no clear set of rules on what the fiscus should fund and what the levy should fund. This resulted, according to business, in the levy being used to make up shortfalls in funding of the public education and training system. Money was viewed as being diverted from its intended purpose (of skilling the workforce) to fund mainstream programmes delivered in public colleges and universities. Whether this was intentional or an unintended consequence of loosely framed policy is open to question. However it cannot be denied that a level of confusion started to emerge during NSDS III as to the purpose of the levy, and the different role played by the levy and general taxation in the funding of education and training. (It is worth noting that the National Treasury has done an analysis of the impact of both the tax allowances provided for employers taking on learners and apprentices, and the Youth Wage Subsidy. These are potentially contributory or alternative mechanisms which were not analysed or discussed as part of the strategic options on skills.)
* The strategy also lacked a regulatory impact review. Reviews of regulatory impact typically examine both the intended and unintended consequences of legislation and regulation and assist in learning lessons. There has not been an examination of the combined impact of the Skills Development Act, Skills Development Levies Act and the Public Finance Management Act. Some stakeholders believe the PFMA has become dominant with Supply Chain Management regulations dominating the grants process rather than the intentions of the SDA. But no examination of this has been done, in spite of the overwhelming consensus amongst stakeholders that the systems and processes that have been put in place around SETA grants are overly bureaucratic and hamper progress.
* There was little attention paid to return on investment. A respondent explains that: “We reach 3 – 5 % of people that need training, and it is costing too much. Unit cost is critical. And this picture is horrific”. “Where economies of scale can be improved, that has to be a major driver”.

In fact the strategy as a whole had no financial or efficiency targets, and was silent on a major criticism being voiced during NSDS II – namely that value for money was not being achieved and that there was a lot of waste.

* Finally, no risk analysis was done of NSDS III’s design. It was therefore less prepared to manage obstacles and opposition. For example, if the consensus was that during NSDS II (unintentionally) a private market had evolved that was divorced from the national development strategy, it would have been sensible to set out how that might be avoided in NSDS III. This was not done. Equally if the general view was that the SETA system was becoming a target of corrupt activities and also attracting the wrong type of skills, how could that be mitigated and changed? That was not clear in the strategy, leaving the impression that it would be broadly business as usual during NSDS III. A radical intervention to address wrong doing and incompetence was not signalled by NSDS III, but rather there was a commitment to improve efficiency.

The overall analysis of planning in relation to NSDSIII is that implementation was not planned as part of the strategy development process. If more attention had been given to utilising a number of the planning interventions and tools listed in this section, then the strategy would have been significantly strengthened and would have generated a greater degree of confidence than was the case.

# Conclusion

NSDS III was designed at a time of flux within the education and training system. Skills development was given a new institutional home in the Department of Higher Education and Training and changes in ANC deployments to government appeared to portend policy shifts. The strategy could, therefore, have been an opportunity to re-engineer skills development and to correct problems that had manifested in the previous two strategies. Those problems had been described in an HSRC evaluation of NSDS II, a Singizi Report on SETA performance ([Singizi Consulting, 2007](#_ENREF_12)) and a NEDLAC review. The overall assessment was that the intentions of the SDA and the levy grant system had not been achieved because of various reasons linked to the structures, regulatory environment and governance arrangements informing implementation.

Although the problems facing skills development were widely agreed on, the solution to the problems has been elusive. The system has been set up in such a manner that stakeholder interests are entrenched, making it very difficult to achieve the consensus needed to bring about change. The DHET has been criticised by some for by-passing or not paying sufficient attention to stakeholder structures and opinions. However, there are also those who explain that the vested interests are so entrenched that no change could happen if there was rigid adherence to stakeholder consultation and the brokering of consensus. Everyone agrees that change was needed, but there was no consensus on what the changes should be. In the absence of agreement on change the pressure to stay with the status quo is strong. It was necessary for political leadership to be provided and for decisions to be made where consensus was not possible.

In the end, NSDS III would not radically overhaul the skills development architecture. It was instead used to steady the system through the turbulent changes and to bring coherence to the newly established DHET. It was designed as an interlocution between a discourse of skills and its context of labour and industry and a discourse of education and its context of teaching and learning and theory. It addressed both workplace training and signalled a shift in focus towards public TVET colleges as providers of skills to the economy. However the extent to which SETAs should focus on adult literacy and numeracy or alternatively work with professional bodies to promote equity in the professions, was left to interpretation.

NSDS III opted to be an enabling strategy – with broadly defined goals and outcomes. It did not hand SETAs and other implementing institutions a prescriptive formula to follow. Instead it was a strategy characterised by an understanding that it is necessary to have collaboration between government, employers and labour. The levy was not meant as a tax for the state to use as it saw fit, but as a fund for a set of agreed interventions or programmes.

While an ‘enabling’ strategy might be more flexible in terms of methods and outcomes than a more prescriptive or doctrinaire policy, there are dangers in going for an enabling framework.

One pitfall for NSDS III was that in trying to cover both skills and educational institutions and to be the strategy that held together once-disparate units in a single department, it would fail to stand out as a distinctive skills development strategy. Its broad statements would overlap with other education and training strategies. Skills development – as driven by the employers of skills – was therefore in danger of being subsumed into vocational training and education rather than being recognised as a distinctive enterprise with its own purpose, training methods and role players. This is not to say that such a change was wrong or ill advised, but rather to point out that it was not an explicit choice made on the basis of an informed options discussion. There are effective supply-driven systems delivering quality vocational education and training that responds to needs in the labour market. There is an argument for that kind of a system in South Africa. However the argument was not presented, and the choice was not explicitly made, resulting in ongoing contestation over what was intended.

Another danger was that roles and responsibilities were not clearly defined. With its inclusive language, NSDS III was never accompanied by an implementation plan with a log-frame. It did not spell out exactly how the strategy would be rolled out in practice. Implementing agents, such as SETAs, therefore had latitude to interpret the strategy’s definitions of skills development and work out their own tasks. A singular skills strategy could therefore potentially be pulled in different directions.

# Recommendations for future NSDS

The assessment of NSDS III highlights a number of recommendations in planning for the next phase of skills development strategy:

* **Evidence based strategy**. Research is necessary to both define the problem that is being addressed and inform the options that need to be considered. There is a need for stakeholders to see, and have belief in, the evidence that has informed the strategy. The development of policy choices (whether they can or will be adopted or not) is important as it enables clearly understood decisions to be made. Policy drift, or policy by interpretation, should be avoided in favour of explicitly defined policy choices.
* **Scenario thinking**. In examining options it is important to consider the different scenarios that are envisaged. It is suggested that there are two key variables that need to inform policy options thinking. The one is whether the intended strategy and system is one defined by government (the state) or the market, the other is whether the intention is to establish a supply-driven or demand-driven system. This type of “scenario planning” approach would enable stakeholders to examine carefully the implications of the different options and to explore in a non-ideological manner the consequences of policy choices. It would also enable stakeholders to understand the effect of not having the discussion – namely “drifting” into a skills strategy and system that was not intended, but is the inevitable result of selecting policy levers that are not appropriate to policy intentions.
* **Defining intended five year outcomes**. A broad, enabling framework might be useful over a long-time period, but strategies in the short to medium term ought to have more clearly stated, measurable goals (even targets). It should be possible to more easily measure progress over a five year period.
* **Setting out who and how**. A strategy must include an implementation plan that establishes roles and responsibilities for implementing agents and a basic timeline of activities. The term “strategy” may not be clearly defined but it definitely implies some form of a road map or sequence of actions to achieve a goal. In particular the “policy implementation levers” need to be identified. It is important that strategy answers the “how?” question.
* **Setting out assumptions and planning for the work needed to make them hold**. Whether the strategy is an “enabling policy framework” or a tight plan, there are many assumptions that have to be made. Assumptions about the formal education and training system, about the response of employers, about the quality assurance regime, and about the economy and development pathway. Such assumptions should not be based on guess work, but rather a sound analysis of the context and environment of those who need to be engaged in making the assumptions a reality. It is important to identify the dependencies that underpin the strategy. This is an important aspect of developing a Theory of Change and so consideration should be given to a thorough process for developing a TOC for the remaining period of NSDS and beyond.
* **Managing risks**. The strategy ought to have a risk assessment – including alternative steps to be taken if obstacles arise. Sound initial research should identify and set out the unintended results of previous iterations of strategy, and so the risks should be well understood. For example the risk of creating a private market or the risk of “pots of money” resulting in a contest over resources are risks that need to be addressed and managed. In the absence of risk management it is evident that the strategy will be undermined.
* **Stakeholder consensus and buy in**. Stakeholder engagement is important in the development of the strategy to improve levels of commitment and support during implementation. Where there is contestation, or in some cases complete rejection of certain goals or objectives, there will be resistance that will surface in a variety of ways that will undermine the strategy. Having said that, it needs to be acknowledged that in some cases full consensus may not be achieved and if hard decisions are needed to break the status quo then these will need to be taken and consensus built over time.

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1. Two further goals not mentioned here because they are not relevant to the NSDS were: (g) to assist work-seekers to find work; (h) to provide and regulate employment services. These functions remained with DoL when DHET was established. [↑](#footnote-ref-1)