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One Country, One Plan: Draft Concept Note for the Master Skills Plan

Labour Market Intelligence
research programme



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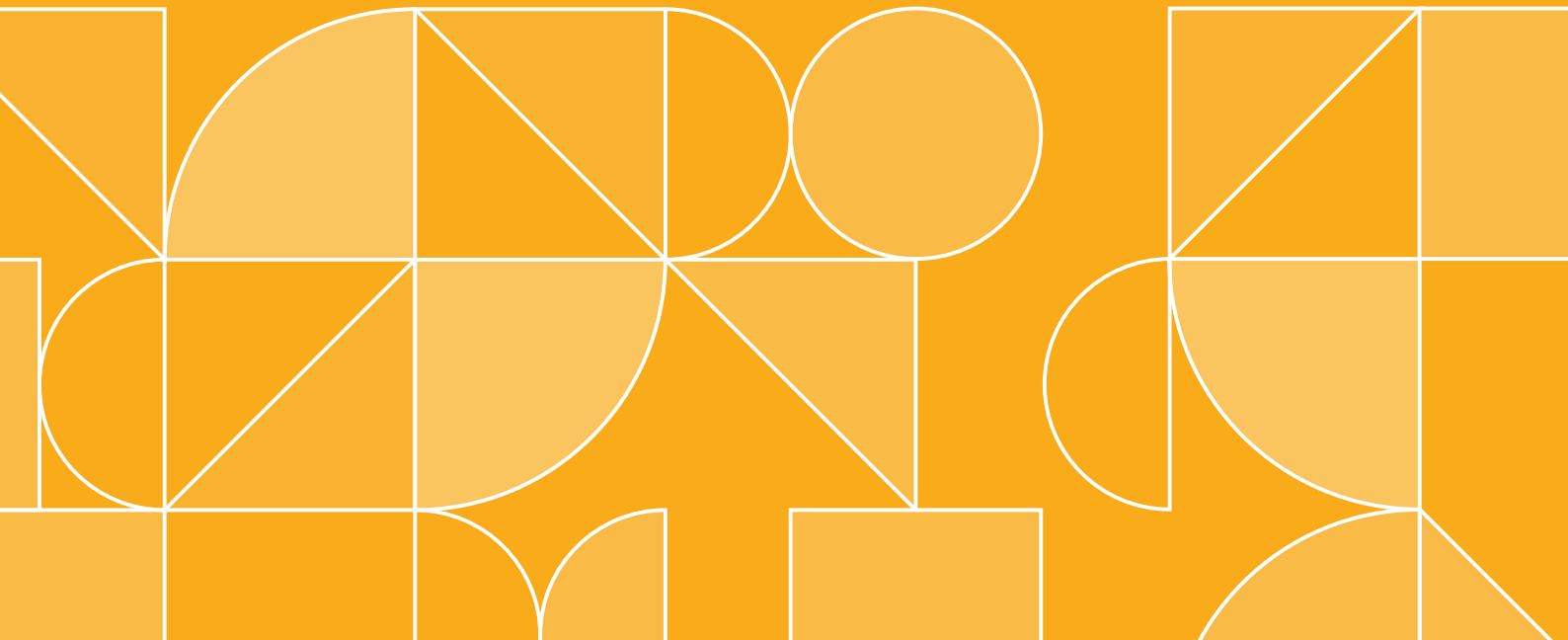
Abbreviations

APP	Annual Performance Plan
CBO	Community-based Organisation
CET	Community Education and Training
Umalusi	Council for Quality Assurance in General and Further Education and Training
CHE	Council on Higher Education
DBE	Department of Basic Education
DEL	Department of Employment and Labour
DHET	Department of Higher Education and Training
DHA	Department of Home Affairs
DIRCO	Department of International Relations and Cooperation
DoJ	Department of Justice
DPME	Department of Planning, Monitoring and Evaluation
DSI	Department of Science and Innovation
DTIC	Department of Trade, Industry and Competition
DG	Director-General
ECD	Early Childhood Development
ERRP	Economic Reconstruction and Recovery Plan
ERRP SS	Economic Reconstruction and Recovery Plan Skills Strategy
E&T	Education and Training
ESSA	Employment Services of South Africa
EDP	Entrepreneurship Development Programme
EPWP	Expanded Public Works Programme
EGFSN	Expert Group on Future Skills Needs
FET	Further Education and Training
GEGDS	Gauteng Employment, Growth and Development Strategy
HSS	Humanities and the Social Sciences
HSRC	Human Sciences Research Council
HRDC	Human Resource Development Council
HRDPCF	Human Resource Development Provincial Coordination Forum
HRD-SA	Human Resource Development Strategy for South Africa
IDP	Integrated Development Plan
ILO	International Labour Organisation
LMI	Labour Market Intelligence
MSP	Master Skills Plan

MTSF	Medium-term Strategic Framework
MMM	Minister's Management Meeting
NDP	National Development Plan
NIHSS	National Institute for the Humanities and Social Sciences
NPC	National Planning Commission
NPPSET	National Plan for Post-school Education and Training
NQF	National Qualifications Framework
NSA	National Skills Authority
NSDP	National Skills Development Plan
NSF	National Skills Fund
NSFAS	National Student Financial Aid Scheme
NYDA	National Youth Development Agency
NYSP	National Youth Service Programme
NGO	Non-governmental Organisation
NPO	Non-profit Organisation
OIHD	Occupations in High Demand
OECD	Organisation for Economic Co-operation and Development
PMN	Pathway Management Network
PSET	Post-School Education and Training
PYEI	Presidential Youth Employment Intervention
PMO	Project Management Office
PSDF	Provincial Skills Development Forum
PSP	Priority Skills Plan
QCTO	Quality Council for Trades and Occupations
SAQA	South African Qualifications Authority
SETA	Sector Education and Training Authority
SSP	Sector Skills Plan
SSR-TTT	Skills System Review Technical Task Team
SEIAS	Socio-economic Impact Assessment System
SAPS	South African Police Service
Stats SA	Statistics South Africa
SIP	Strategic Integrated Project
TVET	Technical Vocational Education and Training
UNESCO	United Nations Educational, Scientific and Cultural Organization
WBL	Workplace-based Learning
WEF	World Economic Forum

PART 1

Introduction



There is universal agreement that a skilled and capable workforce is critical for a country to reach a level of development that meets the needs of its citizens and builds a healthy economy (United Nations Educational, Scientific and Cultural Organization [UNESCO], 2022). According to the World Economic Forum (WEF) (2021), when done correctly, skills development can reduce unemployment and underemployment, and increase productivity as well as improve standards of living. The WEF proclaims that skills development can contribute to economic growth by enhancing employability and labour productivity, and by helping countries to become more competitive, while low skills levels perpetuate poverty and inequality.

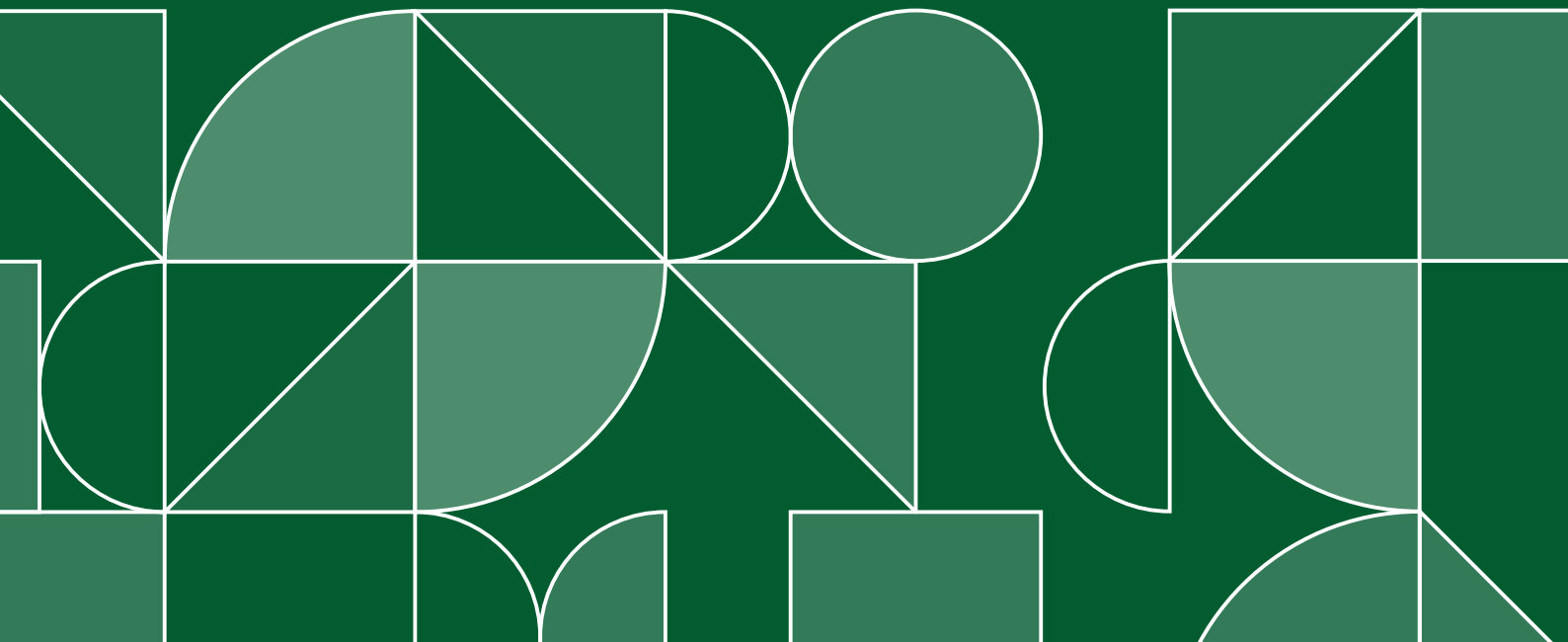
Reddy, Wildschut, Luescher, Petersen and Rust (2018), however, provide a less enthusiastic (and perhaps more realistic) analysis of the role of skills development in addressing South Africa's challenges. They argue that 'skills development is a necessary, but not sufficient, condition for addressing poverty, inequality and unemployment' (Reddy et al., 2018: 74). Their report therefore advises that changes in macroeconomic and industrial policies need to be considered alongside Education and Training (E&T) policies to address South Africa's triple challenge. Nonetheless, the report concludes that even though skills development might be secondary to economic policy to stimulate economic growth, higher levels of employment and strong redistributive outcomes in South Africa, investments in E&T remain 'a fail-safe policy to impact positively on poverty reduction and prevention, lowering inequalities, and access to and outcomes in, the labour market' (Reddy et al., 2018: 74).

There is thus little contention about the influence of skills development on economic and social development. As a result, there is a solid imperative to provide skills development programmes to address South Africa's triple challenge. In acknowledging this, the National Development Plan (NDP) pays considerable attention to the role of E&T in the economy, calling it 'the single most important investment any country can make' (National Planning Commission [NPC], 2012: 296). The NDP advocates that E&T is vital for 'eradicating poverty, reducing inequality, growing the economy by an average of 5.4 percent, and cutting the unemployment rate to 6 percent by 2030' (NPC, 2012: 296-297). The NDP further advises that better quality schooling and a rise in the attainment of post-school qualifications are vital for economic development and tackling income inequality.

As is generally acknowledged, the Covid-19 pandemic has had a devastating impact on economies worldwide. It has amplified poverty, unemployment and gross inequalities; however, it has simultaneously accelerated digitisation, and changed how production and distribution occurs in many sectors. Global trends towards a more energy-efficient and digitised economy, and the wide deployment of artificial intelligence and robotics, are expected to create new jobs, while countless other jobs will change and even disappear. These transitions show the need for an unparalleled shift in skill sets to both benefit from, as well as thwart, the negative impacts of these trends (European Commission, n.d.).

Now, more than ever, South Africa needs to shift the paradigm on skills development towards one that drives recovery from the Covid-19 pandemic and addresses, among others, green and digital transitions, as reflected in South Africa's Economic Reconstruction and Recovery Plan (ERRP).

Methodology for the concept note



This Concept Note was developed using three key methods, namely:

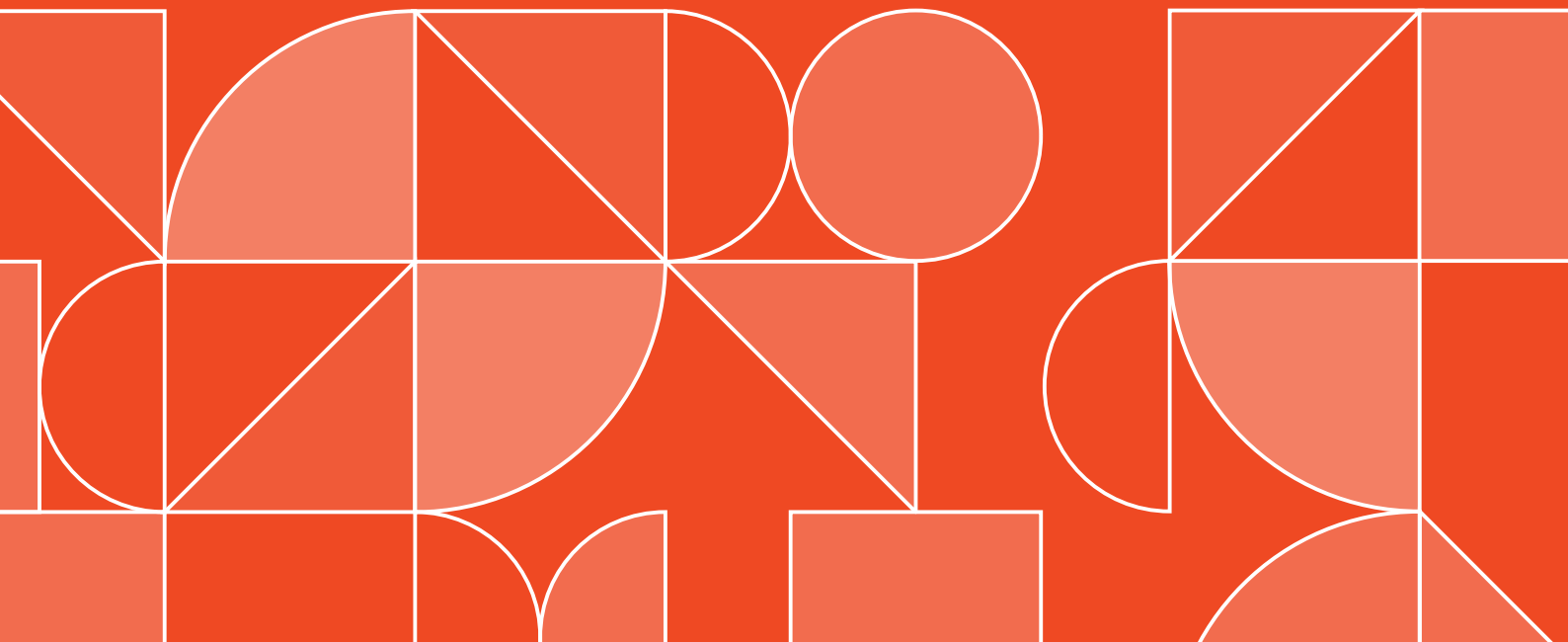
- i. A scan of the international and national literature on skills planning.
- ii. Consideration of key South African policy and planning documents on skills.
- iii. Internal consultations within the Department of Higher Education and Training (DHET), and consultations with national and provincial government representatives.

With regards to (i) and (ii), the literature and documents examined to prepare this Concept Note are reflected in the reference list at the end. It is anticipated that the background report for the Master Skills Plan (MSP), which is envisaged to flow from the Concept Note, will be underpinned by a deeper and wider review of the literature and documents on skills.

In terms of (iii), an overview of the consultations is provided below:

- i. **Brainstorming session:** A brainstorming session with senior officials from across DHET branches was held on 16 February 2022 to generate ideas on the MSP.
- ii. **Intergovernmental forum:** An intergovernmental forum meeting was held on 28 February 2022 to obtain input and ideas from national and provincial government departments on the Concept Note for the MSP. The first meeting of the intergovernmental forum on skills was convened by the DHET by letter of invitation from its Director-General (DG) to DGs of other government departments and provincial heads of departments.
- iii. **Presentation of draft Concept Note to National Skills Authority (NSA) and Human Resource Development Council (HRDC) secretariats:** The first draft Concept Note on the MSP was presented to the NSA and HRDC secretariats on 12 July 2022.
- iv. **DHET workshop:** A one-day workshop was held with DHET senior managers on 25 July 2022 to obtain feedback on the second draft of the Concept Note, which was revised based on the input provided at this workshop.

Background to the Master Skills Plan



3.1 Policy mandate for the country-wide MSP

The policy mandate for the MSP is driven by both broad and specific pronouncements reflected in several policy documents. For instance, the NDP (NPC, 2012) directs that we should improve systems for skills planning and shape the production of skills, while the White Paper for Post-School Education and Training (PSET) asserts that ‘better intergovernmental coordination will be required to support policy alignment and implementation in a differentiated system’ (DHET, 2013: 30). In recognising the reality that all government departments and entities at national, provincial and local levels, including the private sector and non-profit organisations (NPOs), are engaged in some form of skills development for which there is little coordination, the National Plan for PSET (DHET, 2019a) calls for the establishment of ‘clear and streamlined roles and responsibilities of key stakeholders and role players involved in education and training’. More specifically, the 2019–2024 Medium-term Strategic Framework (MTSF) commits government to adopting demand-led skills planning approaches and thus to developing a Priority Skills Plan (PSP). Originally, the PSP was called the Master Skills Plan (MSP) to align with the economic sector Master Plans that were envisaged to have been developed several years ago. However, due to delays in the development of economic sector Master Plans, the economic cluster of government changed the name MSP to PSP.

3.2 Conceptualising skills development

The starting point of this Concept Note adopts a broad definition of skills development that encapsulates all forms and levels of E&T, irrespective of where it is undertaken. Skills can be what individuals have or an attribute of a group of people; alternatively, skills can be recognised in terms of formal qualifications. Skills are the result of formal, non-formal and informal learning. However, a narrow view of skills development, which usually refers to low- or intermediate-level skilling for occupations and trades, and/or Workplace-based Learning (WBL), tends to prioritise formalised E&T and focuses only on skills for the formal economy. On the other hand, a broader and more inclusive conceptualisation of skills recognises the bigger public and private good dimensions of skills development (such as citizenship development) alongside employability, productivity and competitiveness.

Based on earlier research by the Labour Market Intelligence (LMI) research programme and recommendations from the HRDC’s Skills System Review Technical Task Team (SSR-TTT), which reviewed the South African skills system in 2013, this Concept Note adopts a broad concept of skills for the MSP. This means that:

- the scope of the MSP should extend beyond the narrow confines of the skills levy system;
- the MSP should reflect all levels of E&T, not only PSET – from Early Childhood Development (ECD), to PSET institutions, to the workplace. Therefore, the MSP should also include basic education, plus training undertaken by employers;
- the MSP should reflect E&T undertaken by all levels of government – local, provincial and national;
- the MSP should reflect training undertaken by all national government departments – Health; Agriculture, Land Reform and Rural Development; Police, etc.; and
- the MSP should reflect training undertaken by both public and private sectors.

3.3 International perspectives on national skills planning

Many countries around the world, from almost every continent, have developed national plans or strategies for skills development (International Labour Organization [ILO], 2011). These include Rwanda, Botswana and Senegal, in Africa; China, India, Korea and Singapore, in Asia; Brazil, Chile and Columbia, in South America; Australia and New Zealand; the United Kingdom; and France and Germany, in Europe. A policy brief produced by the ILO (2011) showcases national policies, a deliberately broad term that includes strategies and plans, to address skills development. The ILO observes that ‘countries around the world are increasingly recognizing that a well-defined national skills development policy is vital for sustainable and balanced growth’ (ILO, 2011: 8) and ‘provides direction and focus to the skills system’ (ILO, 2011: 8). The ILO further notes that ‘by developing a national skills policy, a country can, among others, bring coherence to the system, facilitate coordinated reforms, and clarify institutional arrangements’ (ILO, 2011: 8). It advises that ‘setting achievement targets, developing clear implementation plans and identifying a lead agency or ministry responsible for implementation are important’ (ILO, 2011: 8) for national skills policies.

The ILO’s review of country experiences shows that countries that have succeeded in linking skills development to improved employability, productivity and employment growth have focused their skills development strategies and plans on matching the demand and supply of skills, and ensuring that skills development is not provided in isolation from economic and other strategies.

For instance, Ireland better matched its skills demand and supply through policy coordination and shared responsibilities. Ireland’s skills, industrial, labour-market and research policies are connected through a network of interlinked organisations, and an institutional framework that enables effective policy coordination between policy areas. In 1997, the Irish government set up the Expert Group on Future Skills Needs (EGFSN) to identify current or future skills shortages, and to help ‘translate’ information produced by the skills identification system into skills development initiatives. Its board includes representatives of government departments, social partners, scientific and research institutions, and E&T authorities (ILO, 2011). In South Africa, the DHET currently undertakes to identify skills needs and produces, among others, a list of Occupations in High Demand (OIHD) to support enrolment, career, resource and programme planning in E&T, as well as a Critical Skills List to support the implementation of the Department of Home Affairs’ (DHA) skills visa. These lists are produced every two years.

Since 1965, Singapore has ensured tight coordination between its skills development and economic growth strategies. Over the past five decades, Singapore’s E&T system has evolved to respond to its changing economic strategies. Initially, the country had a strong focus on building basic education. It then turned its attention to developing its vocational education and training system, before establishing joint training centres with multinational corporations (such as Tata and Phillips) and giving a major push to upgrade workers’ skills, funded by a skills levy. More recently, there has been an emphasis on workplace learning and developing key core skills. In 2000, Singapore established a Skills Recognition System (ILO, 2011). South Africa has, over the past decade, also attempted to embed skills planning into economic planning and vice versa, most notably through its Skills for and Through Strategic Integrated Projects (SIPs) initiative (DHET, 2014) and the ERRP Skills Strategy (ERRP SS).

In 2010, the G20 countries developed the G20 Training Strategy in response to the 2008 global economic crisis. The Training Strategy includes the following key building blocks: (a) anticipating skills needs; (b) participation of social partners; (c) sectoral approaches; (d) labour market information and employment services; and (e) the quality of training and its relevance. The G20 subsequently built upon and updated the 2010 G20 Training Strategy in 2015. The subsequent 2015 Training Strategy adopted 17 principles to boost skills and their use in three areas: building and updating skills for work and inclusive growth; encouraging firms to invest in skills; and ensuring that skills are fully used (OECD, 2015: 4). The purpose of these principles was to, inter alia, 'underscore the importance of policy coherence through a whole-of-government approach with full stakeholder engagement' (OECD, 2015: 3). The G20 is currently in the process of further updating the Training Strategy, in the context of the growing green and digital sectors.

Through its analyses of countries' national skills policies,¹ the ILO (2011) identified similar fundamentals as being key to their success, namely:

- improving mechanisms for anticipating skills demands (current and future) and disseminating the information to inform policymaking and the planning of training;
- embedding skills development within broader development strategies (e.g., industry sector development, local economic development, youth employment);
- strengthening quality assurance in delivering training through benchmarks, criteria and certification systems that increase the value of qualifications and certificates;
- enhancing employment services to improve the matching of jobs and skills, the collection and provision of labour market information (i.e., job opportunities and skills requirements), and the linkage of that information with training; and
- more flexible training provisions in respect of both content and delivery (to include, for example, modular-based, part-time, on-the-job and/or mobile provision), possibly within a system that grants institutions greater academic and managerial autonomy while retaining centralised quality assurance and funding.

More recently, the European Commission developed the European Skills Agenda (European Commission, 2020), a five-year plan to help individuals and businesses develop more and better skills. It sets ambitious, quantitative targets for upskilling (improving existing skills) and reskilling (training in new skills) to be achieved within the next five years. The 2020 European Skills Agenda builds upon its 2016 Agenda, and links to other social and economic strategies and plans, such as the European digital and industrial strategies. Although the European Skills Agenda is not really a plan in the traditional sense, it sets objectives to be achieved by 2025, based on well-established quantitative indicators. It includes 12 actions organised around four building blocks, namely:

1. A **Pact for Skills** that calls for collective action, and mobilising business, social partners and stakeholders to commit to working together.
2. Actions to ensure that people have the right skills for jobs, by, among others, **strengthening skills intelligence**, responding to green and digital transitions, fostering entrepreneurial and transversal skills, and providing skills for life.
3. Developing tools and initiatives to support people in their lifelong learning pathways through, among others, establishing individual learning accounts and **micro-credentialing**.
4. A framework to **unlock investments** in skills to unlock government and private investments in skills.

¹ Again, the ILO uses the term 'policies' broadly to include strategies and plans.

Although the success of the European Skills Agenda is yet to be realised, its similarities with other countries' skills plans, particularly in relation to skills intelligence, and the need for collaboration and coordination across stakeholders, are remarkable. Importantly, the European Skills Agenda can offer valuable lessons on the feasibility of developing individual learning accounts and micro-credentialing, ideas that are currently being explored in South Africa. Such ideas are worthy of exploring in the envisaged MSP, particularly in light of the need for better coordination on skills development in South Africa.

3.4 Key skills development plans in South Africa: an overview

South Africa is overladen with skills development plans. Over and above broader development plans, such as the NDP and the MTSF,² both of which include significant objectives and targets pertaining to skills development, South Africa has national plans that focus specifically on education and skills development. This section identifies and briefly describes the different kinds of national and sectoral skills development plans that currently exist in the country with a view to exploring linkages with the envisaged MSP.

a. Human Resource Development Strategy for South Africa (HRD-SA)

The HRD-SA (HRDC, 2017) outlines the vision for developing human resources in South Africa and its role in meeting the country's economic, development and social needs. According to the HRDC (2017), the Strategy embraces the work of government line departments, public and private entities, non-governmental organisations (NGOs) and a multitude of private enterprises. The Strategy aims to achieve integrated planning within government by aligning human resource development planning mechanisms to the existing architecture of government-wide planning, namely the NPC in the Presidency (HRDC, 2017). However, the HRD-SA goes beyond government. It focuses on the following key outcomes: expanded access to quality E&T, including WBL opportunities; improvement in throughput, pass rates and learning outcomes; better alignment between the skills of graduates and those needed by the labour market; and digitisation (HRDC, 2017).

b. The National Skills Development Plan (NSDP)

The vision of the NSDP is to develop 'an educated, skilled and capable workforce for South Africa' (DHET, 2019b: 11). Its mission is to 'improve access to occupations in high demand and priority skills aligned to supporting economic growth, employment creation and social development, whilst also seeking to address systemic considerations' (DHET, 2019b: 11). The purpose of the NSDP is to ensure that South Africa has adequate, appropriate and high-quality skills that contribute towards economic growth, employment creation and social development. The NSDP has the following outcomes: identify and increase production of OIHD; link education and the workplace through Sector Education and Training Authorities (SETAs); improve the level of skills in the South African workforce; increase access to occupationally directed programmes, especially artisans; support the growth of public colleges; support skills development for entrepreneurship and cooperative development; encourage and support worker-initiated training; and support career development services (DHET, 2019b: 14-25). Funding for the implementation of the NSDP is obtained via the skills levy fund, while actual implementation of the NSDP is undertaken by SETAs, the Quality Council for Trades and Occupations (QCTO), the National Skills Fund (NSF) and the NSA.

2 The DHET provides technical support to the Presidency on the Implementation Forum for Outcome 5 of the MTSF, which deals with skills planning and development.

c. The Economic Reconstruction and Recovery Plan Skills Strategy (ERRP SS)

The ERRP SS (DHET, 2022a) is intended to ensure that skills shortages do not constrain the effective implementation of South Africa's ERRP. The Strategy envisages that both public and private sectors will play a central role in its implementation. It represents a call for collective action, mobilising public and private E&T providers, SETAs, business, government departments, state entities and other social partners to commit to working together to promote skills development. The Strategy identifies the skills implications of the ERRP and outlines ways in which the PSET system, together with other key role players, will ensure that the skills required to implement the ERRP are available. The Strategy identifies ten interventions to support the ERRP, including: (a) the expansion of E&T provisioning, as well as short skills programmes and WBL; (b) the revision of qualifications, programmes and curricula to respond to occupational shortages and skills gaps identified in this strategy; (c) the strengthening of entrepreneurship development programmes; and (d) the use of the national Pathway Management Network (PMN) in the PSET system. The strategy is accompanied by an implementation plan, a monitoring and evaluation framework, and a communication plan. The DHET is the lead agency for coordination and for establishing reporting mechanisms to monitor progress on the implementation of the ERRP SS. It will establish a technical Implementation Forum for this purpose.

d. Economic sector Master Plans

Priority 2 of the MTSF mandates the Department of Trade, Industry and Competition (DTIC), in partnership with other national departments, to develop 18 economic plans, called 'Master Plans for Priority Sectors', for specific economic sectors, such as agriculture and agro-processing, automotive, chemical and plastics, arts and culture, digital, health, tourism, mining and energy. Many of these economic sector Master Plans are still in the making; therefore, the DHET has requested that the DTIC ensures each of these Master Plans has a skills component that identifies skills needs and directs how such skills needs could be addressed. As indicated in paragraph (c) above, it was originally thought that a 'Master Skills Plan' would be developed for the country, based on the skills needs identified in the envisaged 'Master Plans for Priority Sectors'. However, as many of the economic sector Master Plans were under development at the time, this did not occur. Instead, owing to the impact of Covid-19, and the need to respond urgently to untenably high levels of unemployment and the economic crisis in the country, the government developed a composite ERRP, for which the ERRP SS was developed (as described in paragraph [c] above). As indicated above, the DHET is leading the development of a country-wide Implementation Forum to ensure the effective implementation of the ERRP SS.

e. Sector Skills Plans

For over two decades, the country's 21 SETAs have been producing annual Sector Skills Plans (SSPs) that address skills needs pertaining to specific economic sectors. These SSPs identify key change drivers in their respective economic sectors, and identify priority skills and shortages. The SSPs are used to guide how SETAs can use the Discretionary Grant to respond to skills needs and to ensure that economic growth in their respective sectors is not constrained by skills shortages or skills gaps.

f. Provincial Master Skills Plans

Some provinces, such as Gauteng and the Free State, have developed provincial MSPs. The Gauteng MSP is a cross-cutting driver of the Gauteng Employment, Growth and Development Strategy (GEGDS), and aims to address the mismatch between skills demand and supply within Gauteng (Gauteng Department of Education, 2010). Similarly, the Free State Master Skills Plan 'is a regulatory instrument through which the Free State province guides the vision of a skilled and capable workforce that shares in, and contributes to, the benefits and opportunities of economic expansion'. Although the Western Cape does not have a MSP, the West Coast Skills Plan, which analyses skills supply and demand in relation to

planned infrastructural projects in the area, provides an interesting local perspective on skills planning (Western Cape Government, 2012).

g. School and Post-school 'Macro' Plans

Over and above the mandated five-year strategic plans and one-year Annual Performance Plans (APPs), the Department of Basic Education (DBE) and the DHET, respectively, have developed overarching plans to guide activities of the schooling and post-schooling systems. The DBE's Action Plan to 2024: Towards the realisation of schooling 2030 (2020) is intended to guide the five-year strategic plans of the ten departments dealing with basic education, as well as the annual performance plans of these departments. The DHET's National Plan for Post-school Education and Training (NPPSET) (DHET, 2019a) sets out key system goals, objectives, outcomes and strategies aimed at achieving an integrated, coordinated, expanded, responsive, cooperative, quality, efficient and successful PSET system for the period 2019/2020 to 2029/2030. Both Plans set out targets and indicators for their respective systems, and each department is responsible for delivering and monitoring their Plan's progress.

Box 1

In considering the existing skills planning regime in South Africa as described above, one is compelled to ask what gap the envisaged MSP will fill in lieu of the already available arsenal of skills development plans in the country and, more importantly, to deeply interrogate what value the MSP will add to skills development in South Africa. Additionally, one should ask whether plans such as the HRD-SA and NSDP could be reimagined and reconceptualised to accommodate gaps that need to be filled.

As indicated in Section 3.6 of this Concept Note, an analysis of the current skills planning regime does reveal some gaps. More specifically, it draws attention to the lack of coherence and coordination in the skills planning regime, as well as the haziness of institutional arrangements in relation to skills development. Reddy et al. (2018) find that skills development in South Africa is not being promoted as an integral part of broader social and economic policies, and that there are problems with alignment and policy coherence. They observe that skills development is already recognised in the policy goals and instruments of many government departments, and there is therefore a need for a 'collaborative arrangement' to facilitate skills development. Upon reflection of the myriad of institutional arrangements and instruments that South Africa has on skills planning, they suggest there is a need to consolidate and rationalise this system and, for example, centralise the planning of human resource development at a level where it can ensure the alignment of policy and implementation across government departments' (Reddy et al., 2018: 76). In South Africa, as is the case with many other countries, the responsibility for skills development is spread across national, provincial and local government departments, the private sector, NGOs and other agencies. No single organisation can achieve this goal alone. Therefore, coherence, coordination and strategies to share responsibility for skills development are important.

In its cross-country review, the ILO (2011) makes a strong case for national skills development plans. It recognises that many actors and providers (such as central and regional governments, NGOs, employers and workers) are involved in skills development but concludes that their efforts often overlap and are not well coordinated. The ILO argues further that national skills development plans help to avoid contradiction or duplication of other related policies and assists in clarifying institutional arrangements that provide clear leadership and responsibility for key elements of the system

In light of the above, it is expected that the development processes for the MSP will analyse existing national skills planning and development mechanisms and systems more deeply, and obtain stakeholder insights into their effectiveness and efficiency. These processes will also recommend what gaps the envisaged MSP is expected to fill, as well as how the MSP will ensure coordination and policy coherence, what value it will add to the current skills planning regime in the country, and how the envisaged MSP will link to existing skills systems and mechanisms.

Box 2

There are several differences between the HRD-SA and the ERRP SS/Implementation Forum. The HRD-SA reflects many of the objectives and targets that are set in the DBE and DHET system plans and tends to be more supply-, rather than demand-, driven. Moreover, the scope of the HRD-SA is wide, as it covers all levels of E&T – from ECD to PSET. The ERRP SS/Implementation Forum on the other hand, is more demand-driven, and responds to occupations needed for economic reconstruction and recovery. As a result, the interventions and activities identified in the ERRP SS/Implementation Forum are linked to specific occupations. In addition, the scope of the ERRP SS is not as wide as that of the HRD-SA – it focuses mainly on PSET-related interventions.

3.5 National structures that support skills development in South Africa

This section provides an overview of the key macro-structures established to support skills development in South Africa. It is intended to draw attention to skills coordination structures that already exist in the country.

3.5.1. The Project Management Office (PMO) of the Presidency

The PMO of the Presidency supports the delivery of key strategic priorities from the centre of government. It works across government to ensure effective coordination where multiple departments and agencies are involved, and provides implementation support where required. In addition to a range of programmes, the PMO has been integral to the development of the Presidential Youth Employment Intervention (PYEI). The backbone of this intervention is a national PMN that brings together a wide range of partners from within and beyond government to provide young people with opportunities for learning and earning. Young people can join the network through a dedicated mobi-site that has been zero-rated by all mobile networks or by visiting a labour centre or offices of the National Youth Development Agency (NYDA) in all nine provinces. Among other things, the PYEI supports new models of skills training linked to employment in fast-growing sectors to ensure that the skills development system is closely matched to demand in the economy (South African Government, n.d.). The ERRP SS commits the PSET system to promote the PMN in its education and training institutions and the SETAs.

3.5.2. The National Youth Development Agency

The NYDA was established in 2008 by an Act of Parliament (Act 54 of 2008) to serve as a single, unitary structure to address youth development issues at national, provincial and local government level. Education and skills development is a key component of the NYDA's work, with one of its key objectives being to promote access to quality education and skills to both school-going and out-of-school youth. The idea is to impart skills and decision-making capabilities that will result in social and economic participation by youth. For example, the NYDA Entrepreneurship Development Programme (EDP) aims to create a conducive environment for young entrepreneurs to access relevant entrepreneurship skills, knowledge, values and attitudes for their businesses, while its National Youth Service Programme (NYSP) assists youth to acquire the occupational skills necessary to access sustainable livelihood opportunities. The 2020/21 NYDA Annual Report states that 2 790 young people were capacitated with skills to enter the job market in 2020 (NYDA, 2021: 21).

3.5.3. Human Resource Development Council

The HRDC is a national, multi-tiered and multi-sectoral advisory body. It serves as the primary institution for HRD coordination among government, organised business, organised labour, community representatives, professional bodies, research and academic representatives, and other relevant stakeholders, under the stewardship of the Deputy President of South Africa. The key function of the HRDC is to identify and address blockages that prevent the HRD-SA from achieving its goals, and to monitor and evaluate progress on targets set out in the HRD-SA. The structures linked to the Council include the Plenary, Executive Committee, Standing Committees, the Human Resource Development Provincial Coordination Forum (HRDPCF) and the Secretariat.

3.5.4. National Skills Authority

The NSA is a statutory body established in 1999 in terms of Chapter 2 of the Skills Development Act 1998. In terms of the Act, the function of the NSA is to advise the Minister on skills development matters, including the allocation of funds from the NSFs. The NSA also exists to liaise with SETAs on skills planning and development matters, and to monitor the implementation of the NSDP. The NSA comprises a range of social partners and stakeholders, including business, labour and community representatives. The NSA also establishes and manages Provincial Skills Development Forums (PSDFs), which are somewhat similar to the provincial skills development structures established by the HRDC.

Box 3

The above are four examples of national coordinating structures involved in skills development matters. It is quite possible that other such structures and/or mechanisms are in place. It is anticipated that the MSP process will unearth these. It is also expected that the MSP process will interrogate national coordination on skills development and planning more broadly, with a view to identifying unnecessary duplications and inefficient use of resources across government.

3.6 The role of national, provincial and local government departments in skills development

Not surprisingly, almost every state department and local government structure is involved in some form of skills development, over and above that provided by the public and private schooling and post-school sectors. It makes sense for government departments to train their staff or potential recruits in skills pertaining to their area of specialisation, as in the case with Justice College, managed by the Department of Justice (DoJ), the South African Army Training Formation, and the Diplomatic Academy, managed by the Department of International Relations and Cooperation (DIRCO).

It is also acknowledged that, for historical reasons, certain key PSET functions are the responsibility of a range of different government departments, rather than the DHET (which is responsible for PSET). Such functions include the Agricultural Colleges, managed by the Department of Agriculture, the Nursing Colleges, managed by the Department of Health, and Police Academies, managed by the South African Police Service (SAPS), as well as certain metros.

It is important to note, however, that despite the dispersion of E&T for specific occupations by different government departments, the National Qualifications Framework (NQF), through its three quality assurance bodies, and the South African Qualifications Authority (SAQA), ensures quality standards of qualifications and programmes through registration and accreditation processes.

In spite of the above, some national departments, such as the Department of Employment and Labour (DEL), have skills development functions that cut across a wide field of occupations, specialisations and areas. For instance, the DEL manages the Employment Services of South Africa (ESSA) database, which, in addition to providing a platform for work-seekers, also registers persons seeking learning opportunities, including WBL opportunities. At this stage, there is very little coordination on the management, facilitation and provision of access to WBL across the South African E&T system, including that with SETAs. The DEL is also involved in skills development initiatives for previously employed persons who suffered occupational injuries or diseases and who, as a result, acquired a permanent disablement. The training programme, some of which lead to qualifications, is funded through the DEL Compensation Fund and is rolled out across provinces. The programmes focus on the following: dressmaking; welding; plumbing; electrical; carpentry; upholstery and furniture-making; traditional and hydroponic vegetable cultivation, and agro-processing; horticulture and landscaping; and poultry farming (Department of Employment and Labour, n.d.). At this stage, it is not clear how this DEL training programme links to the E&T offered by the PSET system.

Box 4

It is envisaged that the MSP process will further investigate the role of national and provincial government departments in skills planning and delivery, including the implications for the District Development Model (see reference to provincial MSPs above, too). This Concept Note provides the above information to alert the MSP process to the existence of provincial and local involvement in skills planning and provision with a view to guiding how the MSP could improve coordination, collaboration, rationalisation, effectiveness and efficiency, as well as the optimal use of state resources. It is expected that the MSP process will frame its analysis on the functional areas of competence provided for in Schedules 4 and 5 of the South African Constitution, in this regard.

Local government structures are also involved in providing or facilitating access to skills development programmes. For instance, Plan 5 of the Ethekwini Municipality 2018/19 Integrated Development Plan (IDP) is 'Creating a Platform for Growth, Empowerment and Skills Development' (National Treasury, 2018). The objective of this Plan is to:

- develop and implement a multi-year plan to address scarce skills within the municipality;
- enhance the sustainability of scarce skills by continuing to support the development of maths and science for both learners and teachers;
- develop, integrate and implement language, literacy and numeracy skills to respond to economic, social and political participation and productivity; and
- raise the education base of young and adult people to enable them to take on further learning and/or employment.

Similarly, the Johannesburg Metro's latest IDP includes a section on a Skills Development Programme that will be administered 'through learnerships, volunteerism, and facilitating better access for all the youth to quality education' (City of Johannesburg, 2021: 166). It states further that one way of dealing with skills development issues will be 'through the establishment of a Labour Market Intelligence Database, as recommended by the Growth and Development Strategy (GDS) 2040 of the City' (City of

Johannesburg, 2021: 166). The IDP envisages providing skills development programmes in subject areas such as business advice services, literacy/numeracy, reading development programmes, science and technology programmes, career guidance and the internet. The Expanded Public Works Programme (EPWP) section of the Metro sees 'NGOs and Community-based Organisations (CBOs) as the main delivery agents of the social sector programmes, most of which will provide learnerships, along with the recruitment of unemployed residents and volunteers (including young people), giving them access to on-the-job experience, a stipend and training with the possibility of NQF qualification. Programmes will be linked to relevant SETAs' (City of Johannesburg, 2021: 166).

Box 5

The extensive attention paid to E&T by the above two metros (and possibly others) is puzzling, particularly in light of Part B of Schedules 4 and 5 of the Constitution of the Republic of South Africa (Constitutional Assembly, 1996) that deal with the functional areas of local government. In contrast to actual activities undertaken by municipalities, Schedules 4 and 5 of the Constitution do not include E&T as a functional area of local government.

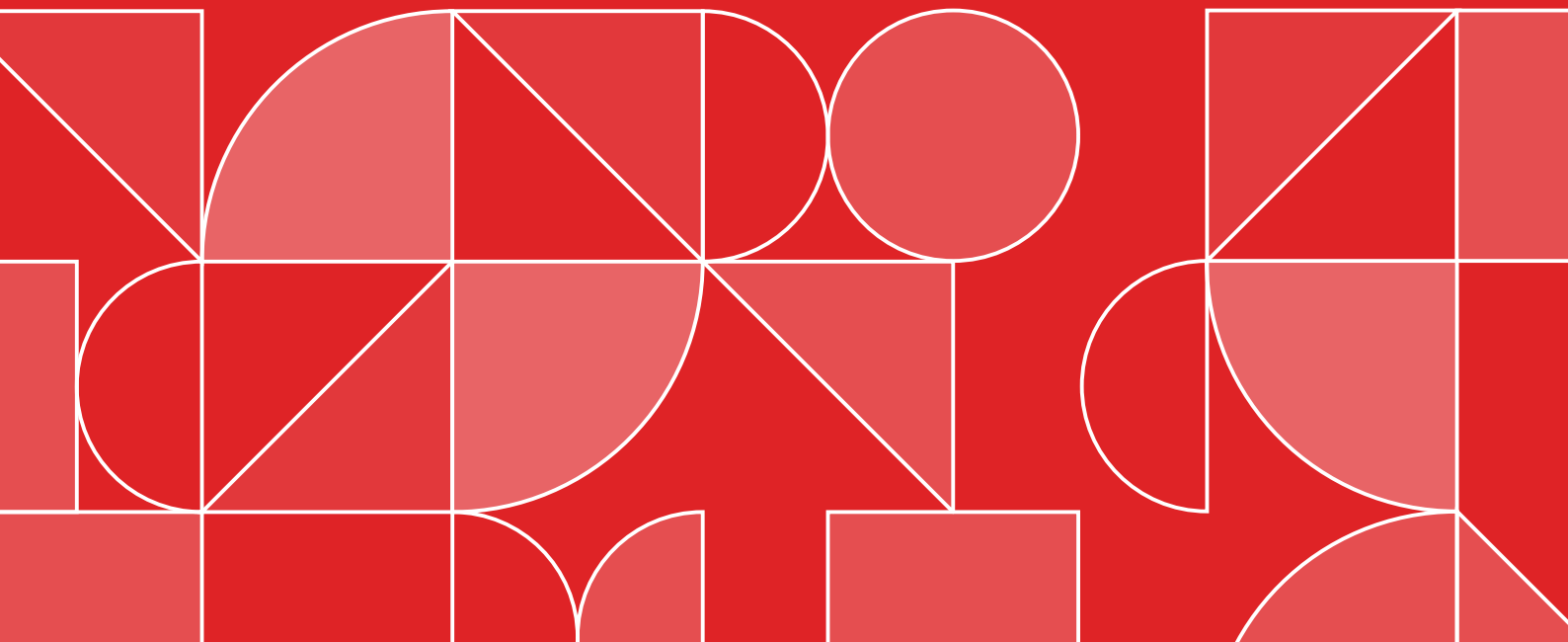
Paragraph 156 of the Constitution, which refers to the powers and functions of municipalities, states that a municipality has executive control over (i) the local government matters listed in Part B of Schedule 4 and Part B of schedule 5, and (ii) any other matter assigned to it by national or provincial legislation. At this stage, there is no evidence that powers on E&T have been assigned to any municipality in the country; however, this could be corroborated with further evidence during the preparation of the background report for the MSP.

In addition, Section 41 of the Constitution, which deals with the principles of cooperative governance and intergovernmental relations, states that a sphere of government (i) should not assume any power or function except those conferred on them in terms of the Constitution, and (ii) should exercise their powers and functions in a manner that does not encroach on the geographical, functional or institutional integrity of government in another sphere; cooperate with one another in mutual trust and good faith by fostering friendly relations, assisting; supporting one another; and informing one another of, and consulting one another on, matters of common concern. A simple reading of the Constitution implies that there is possible 'encroachment' of local government functions over those allocated to national and provincial spheres of government with respect to E&T.

It is therefore necessary to explore local government interventions in E&T, especially in terms of their budgets (in particular, per capita expenditure costs), the models of provisioning, target groups, linkages with existing public institutions (such as Technical Vocational Education and Training [TVET] colleges and Community Education and Training [CET] colleges), as well as links with SETAs and private skills development providers, etc. The objective in this instance would be to investigate whether the nature of E&T activities undertaken by local government structures are in line with their core constitutional mandate, and whether the provisioning systems are effective and efficient in terms of quality and cost, respectively. It is envisaged that these issues will be explored through the MSP process. An important caveat in this investigation is to distinguish between E&T undertaken by local government structures for their own staff and new recruits and that provided or facilitated for broader society. The former is essential and makes sense, while the latter could reflect an overreach of function. In exploring the local government dimension of skills planning and development, the MSP will also seek to explain how it relates to the District Development Model.

PART 4

Methodology for the Master Skills Plan



4.1 Problem statement (What is the problem that is expected to be solved?)

The proposed MSP is envisaged to respond to two key problems, namely:

1. the broader socioeconomic problem of unemployment, inequality and poverty; and
2. the organisational problem. This encompasses weak coordination and poor collaboration across government structures, including that with the private sector; possible duplication of services; inefficiencies in skills planning and delivery across government; possible wastage of public resources and possible function creep in terms of the Constitution. Reddy et al. (2018) argue that the sprawl of regulatory institutions, over-regulation and bureaucratisation of the system may be impeding rather than facilitating skills delivery and concludes that 'institutional sprawl has led to implementation crawl' (p. 76).

4.1.1. The socioeconomic problem

Much has been written about the socioeconomic problems that skills planning can address, some of which are illustrated in this Concept Note. According to the HRD-SA (HRDC, 2017), there is evidence of skills shortages in a number of occupations and economic sectors in South Africa that coexist with burgeoning levels of unemployment. It goes on to state that there is a tangible problem arising from the mismatch between the supply of and demand for skills in the South African labour market (HRDC, 2017). More recently, the Manpower Group observed that 46% of employers in South Africa reported having difficulty filling jobs (Manpower Group, 2021), while the DHET's report on Skills Supply and Demand (2022b) warns that skills shortages remain a challenge in South Africa, with high-skill occupational groups, such as managers and professionals, experiencing the greatest shortages. The report, which draws on analyses conducted by the Organization for Economic Co-operation and Development (OECD), further notes that close to 70% of industries experienced occupational shortages in 2020, with education, finance, banking, public services and insurance experiencing the most intense of these. Unsurprisingly, sectors such as arts and culture, tourism, hospitality and sports experienced occupational surpluses in 2020, due to the impact of Covid-19.

The shortage of high-skill occupations is not the only labour-market problem in South Africa. The DHET's report on Skills Supply and Demand (2022b) also draws attention to the lack of basic skills in reading, comprehension, writing, speaking and active listening in the workforce. It warns that 'this lack of basic skills suggests that it will be difficult for the workforce to acquire the more advanced skills that are required by the modern labour market' (DHET, 2022b: 116).

In its analysis of skills supply and demand in South Africa, the DHET (2022b) (using analysis conducted by the OECD and 2020 Statistics South Africa [Stats SA] data), found that the levels of education-job mismatches in South Africa are very high compared with many other countries, given that:

- about 24.2% of South African workers are overqualified for their jobs;
- a further 28% are underqualified for their jobs; and
- the above signifies that over half of South African workers are employed in an occupation for which they do not have the correct education level.

As indicated above, there is considerable evidence pointing to high levels of imbalances between skills supply and demand in South Africa. It is this specific socioeconomic problem that the MSP hopes to solve.

4.1.2. The organisational problem

Sections 3.4, 3.5 and 3.6 above highlight the myriad of national skills plans and mechanisms in South Africa. They also draw attention to the numerous structures that currently exist to manage skills planning and provisioning in the country. Public training is typically provided by different government departments – Basic Education; Labour; Higher Education; Agriculture, Land Reform and Rural Development; Trade, Industry and Competition; Transport; Health; Police; Defence; etc. It is therefore difficult to get an accurate picture of public spending on skills, because the costs are hidden in different budgets. The HRDC (2013) draws attention to the duplication of efforts in the skills system, indicating that it has ‘resulted in overlaps, double funding (for example, learners engaged in two learnerships at the same time, two institutions funding the same programmes), the spreading of resources even more thinly than is necessary, and an almost complete absence of effective monitoring to enable an understanding of what works and what does not work’ (HRDC, 2013: 8). Evidently, fragmentation of skills provisioning, especially in the public sector, appears to be a key problem.

Bringing providers together in a common framework or policy can be an important objective to achieve better results for given levels of spending. Despite efforts to coordinate skills planning and provisioning in the country, though, there still appear to be gaps, overlaps, unnecessary duplication, function creep and possible wastage of state resources in relation to the skills regime. In his 2019 State of the Nation address, the President identified the ‘pattern of operating in silos’ as a challenge in government, because it led to non-optimal delivery of services and diminished impact on the triple challenge of poverty, inequality and employment. The observations of the HRDC review of the skills system in South Africa, documented almost a decade ago in 2013, continues to bear relevance today, specifically that ‘there is considerable scepticism over the relevance and effectiveness of programmes being offered and funded. In addition, there is evidence of programmes that are provided at extremely high cost’ (HRDC, 2013: 19). It is these problems that the MSP processes also need to address.

4.2 Purpose of the MSP

The purpose of the MSP is to provide a well-coordinated and focused mechanism to address the imbalances of skills supply and demand in South Africa. In addition, the Plan, together with its associated processes and structures, is expected to bring about coherence, rationalisation and improved efficiency to the skills planning and delivery system in the country. It will clarify institutional arrangements that provide clear leadership and responsibility for key elements of the skills system. Moreover, the MSP is expected to serve as an anchor for good practice, and a pledge of political and collective will and commitment. The MSP will build on existing national skills plans (such as the HRD-SA, the NSDP and the ERRP SS) and its development processes will direct how the skills planning regime in South Africa could be better coordinated. More specifically, and as agreed to at the Minister’s Management Meeting (MMM) held on 4 August 2022, the MSP will serve as the implementation plan for the newly envisaged HRD-SA.

4.3 Research questions

The MSP process is expected to respond to the following research questions. Fortunately, the DHET, through its Labour Market Intelligence (LMI) research programme, as well as SETAs and other organisations, has done substantive background research that can be drawn on to respond to the research questions:

- Why is there a need for a MSP? What gaps exist in the current skills planning regime? What problem is the MSP expected to solve?
- What international lessons can be learned about country-level human resource/skills planning?
- How will the MSP relate to existing skills strategies and plans, in particular the HRD-SA?
- What is the nature and extent of skills planning at national, provincial and local levels in South Africa?
- What is the nature and extent of the skills development (provisioning) landscape in South Africa. For example, who are the public and private providers of skills development? Who comprises their target groups? What programmes do they offer (formal, non-formal/informal)? How many beneficiaries? How do per-capita costs compare (provide some examples)? Is there function creep and/or overreach in skills planning and provisioning by local government structures, or national and provincial government departments? Is skills provisioning in South Africa effective and efficient? How effective and efficient are current mechanisms for coordination, collaboration and harmonisation?
- What are the key skills needs for economic and social development? What is the nature and extent of the imbalances between skills supply and demand? What are the reasons for imbalances between skills supply and demand in South Africa?
- What kinds of interventions will best address imbalances between skills supply and demand? What principles and pillars will underpin the interventions?
- Who is the target group for the Plan?
- Who will undertake the interventions necessary to respond to the challenge of skills imbalances?
- How can skills planning and delivery be best coordinated and rationalised across the country to improve effectiveness and optimise the use of state resources?
- How can the public and private sectors work better together to respond to imbalances between skills supply and demand?
- What should be the components, dimensions, elements and ingredients of the MSP? (This Concept Note does provide an idea of what the MSP should look like; however, it will be of value for the research process to confirm this.)

4.4 Principles to guide the development of the MSP

The following principles serve as an initial guide for the processes to develop the MSP. It is expected that these will be amended, following further research and stakeholder consultations:

- **Implementability:** The MSP should serve as an effective 'implementation arm' of the newly envisaged HRD-SA.
- **Inclusivity:** The process to develop the Plan must involve all key stakeholders across all levels of government, the private sector, labour, NGOs, and public and private E&T providers, including the HRDC.
- **Uniqueness:** The MSP should not duplicate what is in other plans.
- **Clarity:** The Plan should be clear about roles and responsibilities, who needs to do what and by when.

- **Linkages:** The MSP should demonstrate linkages with other skills plans and processes. It needs to integrate skills development (across government levels, economic sectors, occupations, etc.) and give effect to industry growth strategies.
- **Comprehensive:** The Plan should cover all levels and types of E&T, not only higher levels. Reddy et al. (2018) argue that a greater impact on poverty, inequality and unemployment can also be made by focusing on quality lower NQF-level qualifications (1–4) (p. 74), while the Department of Science and Innovation’s (DSI) Decadal Plan underlines the importance of innovation in promoting economic growth and employment.
- **Short and simple:** The Plan itself should be short and simple, so that it focuses on the key issues to be addressed. A research report could provide the evidence for the content of the Plan, as well as recommendations for rationalising and coordinating skills planning and provisioning.
- **Monitoring and evaluation:** The Plan should be accompanied by monitoring, reporting and evaluation mechanisms that are SMART (specific, measurable, achievable, relevant, and time-bound).

4.5 Approach to developing the MSP

Considering the myriad of skills planning mechanisms in place in South Africa, and in light of the dearth of information and insights about skills planning and development across government, including those at local government level, it is proposed that the MSP development process be driven by an evidence-based approach to skills planning (as opposed to an arbitrary or opinion-based approach), and to therefore be undertaken in two phases, as follows:

Phase 1: Undertake stakeholder consultations and review documents to prepare a background report to the envisaged MSP. The background report will focus on the following:

- gaps and overlaps in the South African skills³ planning regime;
- a meta-analysis of the effectiveness and efficiency of the skills provisioning landscape in South Africa (see research questions above), including its current coordination mechanisms;
- imbalances between skills supply and demand in South Africa, and key skills needs for economic and social development;
- interventions to address imbalances between skills supply and demand;
- how the envisaged MSP will relate to existing skills planning and coordination mechanisms, in particular the HRD-SA; and
- Recommendations for coordinated, collaborative, effective and efficient skills planning and provisioning in South Africa.

The background report is expected to draw on currently available research and documents on skills planning and provisioning in South Africa, and include interviews with key stakeholders.

Phase 2: This phase of the project will involve the development of the MSP, and the completion of the Socio-economic Impact Assessment System’s (SEIAS) Phase 1 and 2 templates (Department of Planning, Monitoring and Evaluation [DPME], 2015). SEIAS requires government departments to assess the impact of new policy on, among others, the budget of government departments, and its corresponding process requires government departments to consider, among others, various options for the required

3 And by adopting a wide definition of ‘skills’ as provided for as a guide in this document.

outputs. As such, this Concept Note details the following options that were considered prior to agreeing to develop the MSP as an implementation plan for the HRD-SA.

- **Option 1:** The MSP as an implementation plan for a reconceptualised HRD-SA. This option was adopted at the MMM held on 4 August 2022.
- **Option 2:** The MSP as a consolidated representation of SETA sector skills plans and/or a consolidated representation of skills needs identified in economic sector Master Plans. This option emerged through stakeholder engagements.
- **Option 3:** The MSP as a government-wide policy framework on skills development, rather than an actual plan with targets and budgets. This option emerged through stakeholder engagements.
- **Option 4:** A reconceptualisation of the HRD-SA, and/or the ERRP SS, and/or Outcome 5 of the MTSE, and/or the NSDP, and/or the NPPSET and DBE Action Plan, so that they incorporate the intentions of the envisaged MSP. This option implies that there would be no need for the MSP, since the many skills plans that are in existence could be reimagined and reconceptualised to incorporate gaps that exist in relation to the skills regime.

It is envisaged that suitable service providers, commissioned through the DHET LMI research programme will undertake Phases 1 and 2 of this project.

4.6 Data and information needed to develop the MSP

It is envisaged that data and information requirements will be identified through the MSP process. However, as a start, data will be required to provide a description of the skills provisioning landscape in South Africa. This means that data on the size and shape of the school and post-school systems (that are already available from the DBE and DHET, respectively); information and data about public and private registered skills development providers (obtained from the DHET and QCTO); and information and data on E&T programmes offered by national, provincial and local government, etc. will be essential. Data from the SAQA NQF database could also be used to assess the kinds and levels of qualifications offered in the skills system.

4.7 What will the MSP look like? What will be the key elements of the MSP?

The MSP is expected to include elements that are central to any plan, namely: activities, outputs, outcomes, indicators, targets, dates, budgets, and allocated roles and responsibilities. Given that the MSP would act as the implementation plan of the HRD-SA, it would adopt the HRD-SA's vision, mission, goals and objectives. More importantly, since the MSP is expected to address, among others, skills imbalances in South Africa, it will highlight key interventions to address key OIHD and skills gaps. To this end, the MSP is expected to draw on the 2022/23 list of OIHD, which the DHET is in the process of developing.

4.8 Structures to guide and steer the MSP development processes

The following two structures will guide and steer the MSP development processes:

1. The HRDC Standing Committee on Skills Planning will steer the MSP development process.
2. The Intergovernmental Forum on Skills will provide inputs to the MSP process through its representation on the HRDC Standing Committee on Skills Planning.

4.9 Monitoring, reporting and evaluation

It is proposed that the MSP include information on how it will be monitored, reported on and evaluated, including structures, mechanisms and tools to facilitate these processes.

4.10 The socioeconomic impact assessment

In February 2007, Cabinet decided that a consistent assessment of the socioeconomic impact of policy initiatives, legislation and regulations was needed. The decision followed a study commissioned by the Presidency and the National Treasury in response to concerns about the failure to understand the full costs of regulations, especially the impact on the economy. To implement Cabinet's decision, from 1 October 2015, Cabinet memoranda seeking approval for draft policies, bills or regulations must include an impact assessment signed off by the SEIAS unit. The purpose of the SEIAS is to minimise unintended consequences from policy initiatives, regulations and legislation, including unnecessary costs from implementation, compliance and unanticipated outcomes. It also aims to anticipate implementation risks and encourage measures to mitigate them.

4.11 Key concepts⁴

Occupations in High Demand refer to those occupations that show relatively strong employment growth or are experiencing shortages in the labour market (DHET, 2016).

Post-school Education and Training System (DHET, 2013): 'The post-school system is understood as comprising all E&T provision for those who have completed school, those who did not complete their schooling and those who never attended school. It consists of the following institutions, which fall under the purview of the DHET:

- 26 public universities (9 universities of technology focused on vocationally oriented education; 6 comprehensive universities offering a combination of academic and vocational diplomas and degrees; and 11 traditional universities offering theoretically oriented university degrees);

⁴ Adapted from Reddy et al. (2018)

- 50 public TVET colleges (previously Further Education and Training [FET] colleges);
- 9 CET colleges (previously called public adult learning centres);
- 21 SETAs and related E&T providers, and employer work experience sites;
- the NSF and the National Student Financial Aid Scheme (NSFAS), responsible for funding programmes and students, respectively;
- SAQA and the Quality Councils (Council on Higher Education [CHE], QCTO, and the Council for Quality Assurance in General and Further Education and Training [Umalusi]), responsible for the registration and quality assurance of qualifications; and
- the National Institute for the Humanities and Social Sciences (NIHSS), responsible for advancing and coordinating scholarship, research and ethical practice in the fields of Humanities and the Social Sciences (HSS) within and through the public universities.

Skills:⁵ The term 'skills' is used in multiple ways within the skills planning discourse. In some instances, it is used to refer to occupations (for example, doctor, nurse, electrician or lawyer). In others, skills refer to the level of educational attainment (for example, Grade 12, Degree, Diploma), qualifications in a particular field of study (for example, BSc, BCom), job competencies (for example, communication or numeracy skills) or specialisations required over and above general occupational competence. The latter is also labelled in the South African discourse as 'critical skills', 'top-up skills' or 'skills gaps'. In this document, which is concerned with skills planning, the term 'skills' is used more broadly to refer to all three dimensions of skills identified above, namely, occupations, level of education attainment/qualifications and job competencies.

Skills shortage: Refers to the condition wherein the demand for skilled people in a particular occupation is greater than the supply of people who are qualified, sufficiently experienced, available and willing to work under existing market conditions (Richardson, 2007).

Skills needs: Refers to occupations, level of education attainment, fields of study, or competencies required by the economy or by society for growth and development (Shah and Burke, 2003).

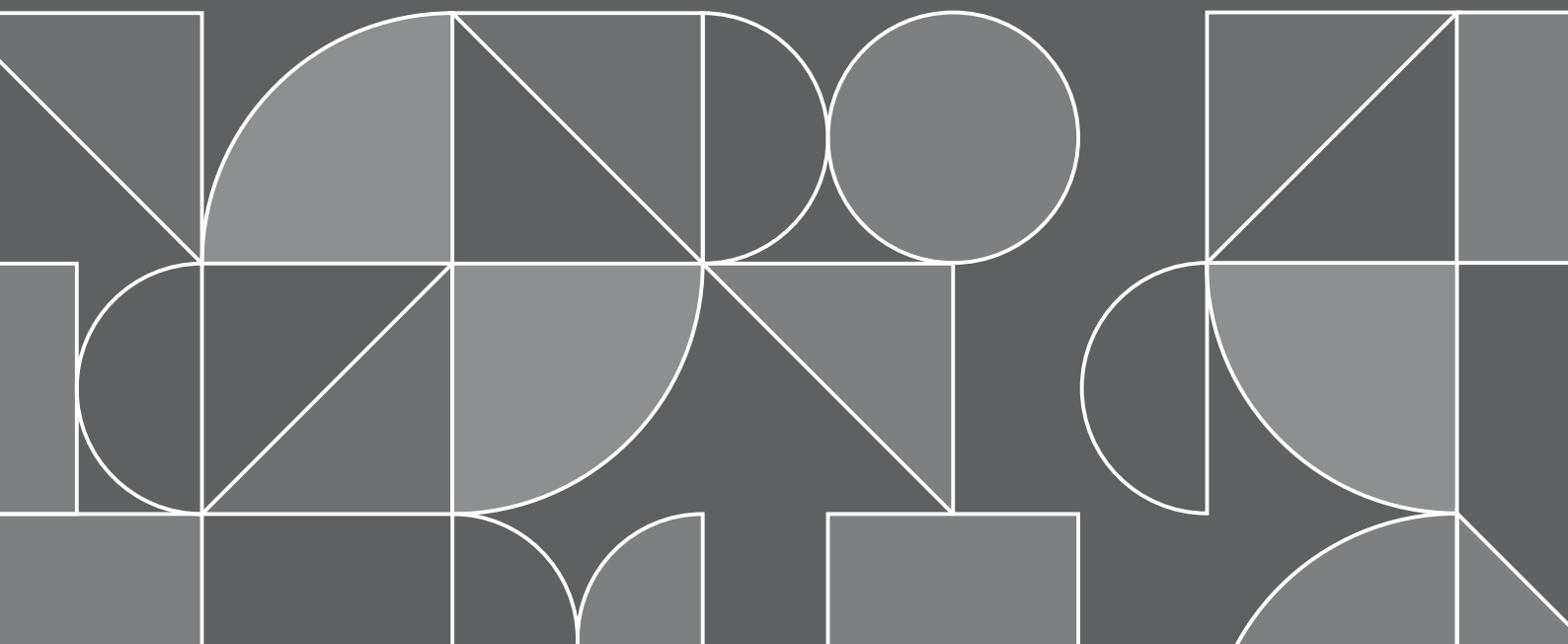
Skills demand (Shah and Burke, 2003): Skills demand refers to the number of people wanted by employers at prevailing wage rates to meet the production or output needs of their respective firms. The various types of demand for occupations can be categorised as:

- **Growth/expansion demand:** demand brought about by market or state-planned expansion, based on the demand for the underlying products or services in the sector.
- **Replacement demand:** demand arising from people leaving the sector, as a result of retirement, death, emigration or career change.
- Demand due to a transformation in the types of skills required by a sector (occupational shifts) or demand arising from **technological changes**.

⁵ Definition of skills formulated by the authors of the Concept Paper for the Development Policy Research Unit.

PART 5

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