



# Skills Development Legislation as a Lever of Change to Reduce Poverty, Inequality and Unemployment

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## Acronyms and Abbreviations

<b>ABET</b>	Adult Basic Education and Training
<b>ANC</b>	African National Congress
<b>ASGISA</b>	Accelerated and Shared Growth Initiative for South Africa
<b>ATR</b>	Annual Training Report
<b>BBBEE</b>	Broad-based Black Economic Empowerment
<b>CBO</b>	Community Based Organisation
<b>CEO</b>	Chief Executive Officer
<b>CESM</b>	Classification of Educational Subject Matter
<b>CET</b>	Continuing Education and Training
<b>CHE</b>	Council for Higher Education
<b>CLCs</b>	Community Learning Centres
<b>ComET</b>	Community Education and Training
<b>DAFF</b>	Department of Agriculture, Forestry and Fisheries
<b>DBE</b>	Department of Basic Education
<b>DHET</b>	Department of Higher Education and Training
<b>DoE</b>	Department of Education
<b>DoL</b>	Department of Labour
<b>DPW</b>	Department of Public Works
<b>DSBD</b>	Department of Small Business and Development
<b>Dti</b>	Department of Trade and Industry
<b>EDD</b>	Economic Development Department
<b>EE</b>	Employment Equity
<b>ET</b>	Education and Training
<b>ETQA</b>	Education and Training Quality Assurance body
<b>FEC</b>	Further Education Certificate
<b>FET</b>	Further Education and Training
<b>FETC</b>	Further Education and Training Colleges
<b>GDP</b>	Gross Domestic Product
<b>GEC</b>	General Education Certificate
<b>GET</b>	General Education and Training
<b>GFET</b>	General and Further Education and Training

<b>GFETQA</b>	General Further Education and Training Quality Assurance
<b>GP</b>	Gauteng Province
<b>GTAC</b>	Government Technical Advisory Committee
<b>GTPP</b>	Generic Trade Preparation Programme
<b>HE</b>	Higher Education
<b>HEI</b>	Higher Education Institution
<b>HEQC</b>	Higher Education Quality Committee
<b>HEQSF</b>	Higher Education Quali cations Sub-Framework
<b>HET</b>	Higher Education and Training
<b>HLP</b>	High Level Parliamentary Panel
<b>HRD</b>	Human Resources Development
<b>HRDC</b>	Human Resources Development Council
<b>HSRC</b>	Human Sciences Research Council
<b>ICT</b>	Information and Communications Technology
<b>ILO</b>	International Labour Organisation
<b>IPAP</b>	Industrial Policy Action Plan
<b>JIPSA</b>	Joint Initiative for Priority Skills Acquisition
<b>LMIP</b>	Labour Market Intelligence Partnership
<b>LMIS</b>	Labour Market Intelligence System
<b>MEC</b>	Member of the Executive Council
<b>MTSF</b>	Medium-Term Strategic Framework
<b>NAMB</b>	National Artisan Moderating Body
<b>NATED</b>	National Accredited Technical Education Diploma
<b>NCV</b>	National Certi cate Vocational
<b>NDP</b>	National Development Plan
<b>NEDLAC</b>	National Economic Development and Labour Council
<b>NEETS</b>	Not in Employment, Education and Training
<b>NEPI</b>	National Education Policy Investigation
<b>NGO</b>	Non-Governmental Organisation
<b>NPWP</b>	National Public Works Programmes
<b>NQF</b>	National Quali cations Framework
<b>NSA</b>	National Skills Authority
<b>NSC</b>	National Senior Certi cate



<b>NSDS</b>	National Skills Development Strategy
<b>NSF</b>	National Skills Fund
<b>NSFAS</b>	National Student Financial Aid Scheme
<b>NSLP</b>	Proposal for The New National Skills Development Strategy (NSDS) and Sector Education and Training Authorities (SETAs) Landscape
<b>OECD</b>	Organisation for Economic Cooperation and Development
<b>OFO</b>	Organising Framework for Occupations
<b>OQSF</b>	Occupational Qualifications Sub-Framework
<b>PER</b>	Performance Evaluation Review
<b>PPP</b>	Public-Private Partnership
<b>PSET</b>	Post-School Education and Training
<b>QC</b>	Quality Council
<b>QCTO</b>	Quality Council for Trades and Occupations
<b>RPL</b>	Recognition of Prior Learning
<b>RSA</b>	Republic of South Africa
<b>SAIVCET</b>	South African Institute for Vocational and Continuing Education and Training
<b>SAQA</b>	South African Qualifications Authority
<b>SD</b>	Skills Development
<b>SDL</b>	Skills Development Levies
<b>SDPU</b>	Skills Development Planning Unit
<b>SET</b>	Science Engineering and Technology
<b>SETA</b>	Sector Education and Training Authorities
<b>SMME</b>	Small, Medium and Micro-sized Enterprises
<b>SOE</b>	State-Owned Enterprises
<b>SPU</b>	Skills Planning Unit
<b>STEM</b>	Science, Technology, Engineering and Mathematics
<b>TVET</b>	Technical and Vocational Education and Training
<b>UDF</b>	United Democratic Front
<b>UoT</b>	University of Technology
<b>WP</b>	White Paper
<b>WPBL</b>	Workplace-Based Learning
<b>WP-PSET</b>	White Paper for Post-School Education and Training
<b>YEDSRP</b>	Youth Entrepreneurship Data System and Research Programme



## Executive Summary

The purpose of this study is to review skills legislation, assess implementation, identify gaps and propose action steps that impact on the challenges of poverty, inequality and unemployment. The HSRC team were guided by the key research question: *How can legislation be a lever of change in the Post-School Education and Training system?*

### Conceptualising skills development

We started by problematising the term ‘skills development’, and for the purposes of this study, our starting point is to take a broad definition of skills development which encapsulates all forms of post-school education and training and which recognises a range of dimensions of what is a skill, its uses and purposes. In this respect we recognise that a skill or set of skills can be what an individual holds or an attribute of a collective group of people, skills can be formally recognised in terms of formal qualifications, but there is also a high degree of informal skills (which may become formally recognised by means of the recognition of prior learning [RPL]); skills are the result of formal, non-formal and informal learning; the definition of what are core or foundational skills, intermediate and high-level skills, critical skills, scarce skills/skills and occupations in high demand, and so forth, is eminently contextual. Thus we do not subscribe to a narrow view of skills development, which only refers to one specific type and level of training – usually intermediate-level skilling for occupations and trades, and/or workplace-based learning (WPBL) – and which tends to prioritise formalised education and training and focus only on skills for the formal economy.

Our broader approach to skills development recognises the bigger public and private good dimensions of skills development (such as citizenship development) alongside employability, productivity and competitiveness; the individual and collective aspect of skills for the formal and informal labour markets, as well as formal and not formally recognised skills. Thus, skills development is about enabling individuals and collectives “to become fully and productively engaged in livelihoods and to have the opportunity to adapt these capacities to meet changing demands and opportunities”. Moreover, while there is no direct correspondence between categories of skills and National Qualifications Framework (NQF) levels, we follow the DHET and Stats SA classifications for occupations which differentiate between low-skilled occupations (e.g. elementary and domestic workers, roughly up to NQF level 2), semi-skilled occupations (such as machine operators, crafts and related trades workers, skilled agricultural workers, sales and services clerks, roughly referring to NQF levels 3 to 5), and skilled occupations (technicians, associate professionals, managers and professional; NQF levels 6 to 10) (Stats SA, 2015; DHET, 2012a).

### Legislating skills development

The 1994 democratic government inherited a population with low educational and skills levels and an education and training system that was fragmented, dysfunctional and unequal. The first task of the new government was to repeal apartheid legislation and institute legislation that enabled access for all, as well

as redress measures for inequalities from the apartheid period. The first few years of the new government has been described as the 'evolution of ideas' and articulating a vision through the 'integrative' National Qualifications Framework.

From 1994 to 2009, the Department of Education (DoE) was responsible (amongst other aspects) for higher and technical vocational education delivered through the universities and further education and training (FET) colleges. The DoL was responsible for workplace skills programmes, delivered largely through the Sector Education and Training Authorities (SETAs). This split in the education, training and workplace skills production created difficulties in delivery, and the education and training levels of the population did not improve much. The education, training and skills system was described as ineffective and inefficient.

The 2009 government created the single ministerial portfolio of Higher Education and Training (HET). The portfolio shifted the higher and further education and training functions associated with colleges and universities from the Minister of Education to the new Department of Higher Education and Training (DHET). All skills-related functions associated with the National Skills Development Strategy (NSDS), the SETAs, the National Skills Authority (NSA), the National Skills Fund (NSF), the National Student Financial Aid Scheme (NSFAS), as well as the National Qualifications Framework (NQF) and the South African Qualifications Authority (SAQA), were removed from the DoL and linked to DHET.

Immediately after the creation of DHET, a number of key pieces of legislation were amended to provide the necessary legislative authority for the new arrangement. In addition to changed legislation, there were changes in the SETA landscape with mergers and eventually a reduction by two SETAs. DHET oversight of SETAs was strengthened and there were changes in the governance structures with a new generic constitution for councils. FET colleges were moved from provincial administration and brought under the purview of DHET and are now called Technical Vocational Education and Training Colleges. The National Skills Fund, under DHET, was used to fund entities other than SETAs and bolster the resources of the NSFAS.

The various parallel processes relating to higher education, technical and vocational education and training (TVET), workplace-based skills development in DHET were consolidated through the *Green Paper* and later a *White Paper for Post-School Education and Training* (WP-PSET). The White Paper (WP) was gazetted in January 2014 and maps out the new vision for the post-school system for which the DHET is responsible. The White Paper envisages significant expansion of the system at all levels (in keeping with targets in the National Development Plan/NDP), but particularly seeks to expand the vocational part of the system.

Presently, the DHET is developing the implementation plan for the Post-School Education and Training System and is amending legislation and policies in line with the WP-PSET. This next period will see amendments to legislation, as well as new legislation, to facilitate the effective implementation of the WP-PSET.

## The South African skills challenge

The majority of South Africans are young, with two thirds of the population younger than 34 years of age (one third are between the ages of 15 and 34 years and one third younger than 15 years old). In 2014, the South African labour force was made up of 15 million employed and 7.5 million unemployed persons. Three quarters of the employed and 90% of the unemployed are from the African population group. Unemployment is particularly high amongst youth (two thirds of the unemployed are in the age group 15 to 34 years) and this is increasing as more young people join the labour force.

The education levels in the country are low. Of the employed population, 20% has a higher education qualification, 32% has completed senior secondary education, and close to half of the workforce do not have a Grade 12 certificate. Close to two thirds of the unemployed have less than a Grade 12 certificate. This translates to 11.75 million of the labour force with less than a Grade 12 certificate.

The South African labour market is paradoxical with the structural mismatch between labour demand and supply: the labour market shows a demand for high-skilled workers, but there is a surplus of low-skilled potential workers. The economy must therefore respond to the twin challenges of participating in a globally competitive environment, which requires a high skills base, and a local context that demands more labour-intensive, lower-end wage jobs to absorb the large numbers who are unemployed, in vulnerable jobs and the growing levels of particularly young people as first time labour market entrants. The skills development challenge is not to focus only on a small number of skilled people in the workplace, but also on the unemployed, the youth, low-skilled people, the marginalised, and those in vulnerable forms of employment, including the self-employed.

The university and TVET college subsystems are the largest components of the PSET system. In 2014, there were around 1.1 million students in the university sector and 0.8 million students in the TVET sector. Completion rates at both universities and TVET colleges are less than desirable in that in 2014 there were 185 000 completers from the university sector and in the TVET sector while 21 000 NCV4 and 57 000 NATED6 wrote the examination, only 7 400 NCV4 and 24 200 NATED6 completed the programme.

## Analysing skills development policy

Against the backdrop of the South African skills challenge, we traced the legislative and policy frameworks, as well as the institutional arrangements for education, training and skills development since 1994. We conducted an extensive systemic review of the skills legislative and policy system and undertook focussed analyses of three core Acts in order to identify emphases that enable, as well as silences and gaps that may be impeding South Africa from meeting its developmental goals of decreasing poverty, inequality and unemployment.

The systemic review employed a content and thematic analysis methodology to map the potential synergies, duplication and gaps across hundreds of policy principles, goals and implementation mechanisms. We focussed on the DHET skills legislation and policies, as well as those from other government departments who influence the production of skills – the Presidency and DoL have a responsibility to improve the skills of youth and worker groups respectively. The Department of Agriculture, Forestry and Fisheries (DAFF) and Department of Public Works (DPW) also offer training to targeted groups; and economic departments (EDD, Dti, DBSB) are responsible for job creation and influence the demand for skills.

The policy worldview analysis showed that while the skills policy system is incorporating notions to set it up well to address poverty, inequality and unemployment, a much wider focus and explicit reference to specific target groups is needed, particularly towards youth who are not in employment, education and training (NEET) and key marginalised groups such as the rural poor. It has also shown that there is room for more strongly emphasising policy actors and mechanisms to reach more people, in the skills development space, such as co-operatives, Small, Medium and Micro-sized Enterprises (SMMEs), and very importantly, state-owned enterprises (SOEs) and government departments and public entities. The analysis has shown that DHET can be credited for its focus on formal post-school skilling but also for policy emphasis on RPL, foundational learning and for putting much more emphasis on adults. We argue that if legislation is to act as a key lever for addressing poverty, inequality and unemployment, it must explicitly refer to these challenges, identify specific goals, and define specific target groups.

The analysis based on policy principles focused on identifying supporting policy goals and implementation instruments, and thereby categorised where the skills policy system foci lies. The findings raise the question of alignment, on the one hand, and policy coordination on the other hand. Particularly with respect to the principle of promoting skills as an integral part of broader policies it is clear that this is currently not the case.

The analysis of instruments is potentially useful for future planning as it highlights where concrete mechanisms have been put in place in the skills policy system towards achieving particular policy goals and related principles. It is powerful to find that when we select the three policy goals most directly dealing with the production of skills, we find that the emphasis of policy goals and instruments established to achieve them is skewed to the production of intermediate and high-level skills, and much less so to developing core skills and promoting employability, which is where the needs of the biggest proportion of both our employed and unemployed lie.

An in-depth analysis of specific core Acts in the PSET policy system augments our understanding of the enabling and impeding factors towards a skills development system that better addresses the challenges of poverty, unemployment and inequality. We focussed the analysis on three Acts:

- the *National Qualifications Framework (NQF) Act 67 of 2008*, which can be seen as an overarching act

governing all education and training in the country;

- the *Skills Development (SD) Act 97 of 1998*, which *inter alia* addresses a marginalised but critical aspect of the post-school skilling system, namely workplace-based learning (WPBL), and;
- the *Continuing Education and Training (CET) Act 16 of 2006*, which, unlike the other two Acts, focuses specifically on the actual provision of skills development and key institutions set up in the post-schooling space for this purpose.

The main research question for these focused case studies therefore remains: how can legislation be used as lever to bring about change in the PSET-SD system so as to better address the challenge of high levels of poverty, inequality and unemployment. In particular the case studies ask: What were the original objectives for establishing the NQF and for adopting the SD and CET Acts, their respective conception and further development? What is the current space regulated by NQF legislation; what is the applicable domain and focus of the SD Act; and what does the CET Act try to achieve? In each case: what challenges can be discerned from the analysis of respective regulatory frameworks and from preliminary engagements with experts? What has been the role and impact of this legislation on poverty, inequality and unemployment, and what do legislative/regulative policy proposals promise or can be recommended?

### **Critical issues for improving skills development legislation**

The analysis of the three core Acts governing the production of post-school skills development in South Africa raises six critical issues that may require legislative change.

Firstly, there is need to foster the consolidation and improved coordination of the emerging PSET system, particularly with focus on formal occupational qualifications. Essentially the recommendation here is to unbundle and rename the SD Act to reflect its purpose better, remove reference to 'skills development' that suggest a narrow conception (and thereby potentially pave the way for a broader use of skills development funding), assist to clarify the relations between the subsystems and particularly foster the inclusion, regulation and institutionalisation of WPBL within the PSET system as recognised by the *WP-PSET* as an issue. This should also provide for a distinct yet integrated regulatory framework governing trades and other occupational qualifications. The recommendations for the NQF Act also sit here in that a more flexible NQF (with provisions for multiple exit points and a more student-centred approach to regulation), and more clarity as to the OQSF and the relation between Quality Council for Trades and Occupations (QCTO), Umalusi and CHE/HEQC, would support better articulation at NQF levels 1-4 and into NQF level 5 and beyond, which is a key bottleneck to progressions and articulation.

Secondly, there is an argument to be made with respect to skills development funding and particularly the funding of PSET expansion and WPBL. We have only done preliminary analyses of the Skills Development Levies (SDL) Act 9 of 1999 and the National Student Financial Aid Scheme (NSFAS) Act 56 of 1999; so far,

this suggests that they may be combined into a single *PSET Funding Act* or an *HRD Funding Act* or even incorporated in a comprehensive HRD Act. This has the potential to simplify the system, as well as promote the notion of skills development as a function running across the PSET system and align skills development-related work of other departments (e.g. Public Works).

Thirdly, improving the quantity and quality of WPBL will not happen from only a renaming and focusing of the SD Act and removal of provisions that fall outside the specifics related to occupational learning and WPBL and the Occupational Qualifications Sub-Framework (OQSF), QCTO, National Artisan Moderating Body (NAMB), etc., and a reconsideration of the place and functions of NSA, that of SETAs, and their interrelation. While this would contribute to improving coordination and coherence across the PSET system and the provision of skills through WPBL, WPBL provision in the public sector and the private sector may need to be explicitly required in legislation (in a renamed and focused SD Act and/or in other legislation, along with considerations to link it to employment equity legislation). Especially government departments at all levels, public entities and SOEs, along with private sector employers of various kinds and other 'new' actors such as co-operatives may need to be required by means of legislation to provide WPBL opportunities and identify and train WPBL facilitators (akin to 'master artisans').

Fourthly, as we have argued based on our birds-eye view of legislative change over the last twenty years, much of the 'policy gaze' has been on higher education and only in recent years, under the leadership of the DHET, the policy gaze has moved towards continuing education (and TVET in particular). There is need to also consider the appropriate resourcing of the full PSET system (and each subsystem), qualifications and related curricula in the TVET and community colleges, the role of public and private sector employers in shaping this sector, and so forth. At the same time, while higher education is the subsystem that has the *least potential* at transforming the social structure of poverty and inequality (Cloete, Maassen & Pillay, 2017), its essential function in high-skills development and knowledge production requires the continued expansion of the HE sector in keeping with the targets set by the NDP (and the South African skills challenge in general).

Our main argument is that with cognisance to the large number of students who do not gain a high quality Grade 12/NQF level 4 qualification that allows them automatic access into HE, expanding access to HE, particularly for those from disadvantaged schooling backgrounds, and creating better articulation and progression within the PSET system overall and the HE subsystem, are important. A set of matters will need to be addressed here: removing the NQF level 4 as bottleneck for low-quality Grade 12 passes; creating an attractive occupational learning pathway (post-Grade 9/NQF level 1, and again post-Grade 12/NQF level 4) and ensuring a 'smooth' progression up the OQSF for occupational learners and NCV matriculants; as well as 'smooth' articulation between general/academic and occupational pathways for learners.

Currently, even within the HE subsystem, mobility of students between institutions enrolled in the same

degree and disciplines are severely difficult (and the lack thereof may be considered an infringement on constitutional rights of students); even more so for students from TVET colleges and eventually students who may want to 'cross-over' from occupational into professional learning programmes and vice-versa. It seems clear that the NQF, without legislative or at least regulative intervention, may not provide such articulation as initially intended. Moreover, if higher education colleges are a distinct institutional type, their roles could suitably be to provide (1) access to the HE band of occupational qualifications for NCV and NATED 3 TVET graduates, and (2) an alternative access route into universities (and thus academic and professional learning programmes) for NSC matriculants who fail to gain automatic entry into a desired higher education programme. The clarification of the function and role of higher education colleges may provide a new way of removing the bottleneck for low-quality Grade 12 matriculants to access HE (and reducing learners' 'zig-zagging' through the NQF), if new HE colleges are created that focus specifically on access programmes. This then provides a potentially critical space for legislative improvement, where the requirements for admission need to be carefully defined and considered in relation to the purposes of such institutions.

Fifth, a problem in terms of NQF and articulation is not only the relation between occupational and general/academic learning pathways, and from NQF level 4 into higher education, but there is a similar and perhaps even more severe problem at NQF level 4 and below ('zig-zagging' of students through the NQF). The original conception of an integrated post-school system in African National Congress (ANC) policy of 1994 emphasised (what is now) Grade 9 or the General Certificate (i.e. NQF level 1), and conceived of the further education and training band correctly in binary terms of a general/academic pathway and a technical/occupational pathway, and two distinct types of providers: senior secondary schools and FET/TVET colleges. The extreme public hype around the 'matric' (the results of which annually lead to shattered futures) needs to be moderated and much more emphasis must be put on Grade 9/NQF level 1, and a choice between two equally attractive post-Grade 9 options: joining a TVET and gaining technical, vocational and general skills and potentially attractive career prospects along with future higher learning options; or continuing in the schooling sector and completing up to Grade 12 on that path. One part of realising this progressive vision is designing attractive NQF level 2 and 3 certificates (along with WPBL provisions that offer good career prospects and result in credible occupational exit qualifications), as well as an NCV that is as 'prestigious' as the 'matric'. Ensuring that there is a 'national core curriculum' and related learning outcomes in the occupational learning pathway that articulate with respective grade levels in the secondary schooling sector is important in this respect. Another part is to ensure that there is public awareness and sufficient 'simplicity' in the OQSF, so that the TVET route becomes a pathway of choice, rather than a second-best or even choice of last resort. The principle to work towards here is a parity of esteem between general/academic and occupational learning pathways.

Finally, a theme running across the legislative analysis has been (what we have called) the 'institutional sprawl' in the PSET-SD regulatory space, referring to the numerous authorities, councils, bodies, etc.

that are *not directly involved in skilling* but have advisory functions and/or functions related to funding, governance, planning, quality assurance, and so forth. Simply from a resource point of view, one ought to ask whether every Rand spent on a 'CEO', her or his secretary, a 'council or board member' and all the bureaucracy that goes with it, is worth the Rand spent less on the potential learner who is excluded from skills development or the building of a campus in an underserved area that is postponed, particularly if we aim to use skills development legislation as a lever of change to impact on the lives of the poor, unemployed and underemployed. The systemic review equally confirmed that much (if not too much) of the skill policy system and its sub-goals focuses on *improving the regulatory structures and institutions for skills provisioning* as opposed to *actual skills production*. An overarching recommendation from the evidence presented in this report is therefore that the legislative framework over the next few years needs to play a much bigger role in enhancing the quantity and quality (*not quality assurance!*) of *actual provision*.



## Section 1

### The Skills Development Legislative and Institutional Landscape

In 2016 the Speakers Forum of the National Parliament established the Panel for Assessment of Key Legislation to review legislation, assess implementation, identify gaps and propose action steps that impact on the challenges of poverty, inequality and unemployment, including the creation and equitable distribution of wealth (*Briefing document from the Panel on the Assessment of Legislation*). This review should lead to the identification of existing legislation that impede the transformational goals of the country. The Panel identified nine areas for review of legislation, one being Skills Development.

An engaged and productive society and economy is dependent on an educated citizenry and a skilled and capable workforce. The apartheid state withheld education, especially mathematics, in its social engineering project for the under-development for the majority of the population (African population). The devastating effects of these policies are still felt today, and the post-1994 government prioritised education, training and skilling for personal, social and economic development in the country.

Since 1994 there have been changes of legislation, policy, institutional structures and arrangements, and resourcing arrangements. There have been improvements in the education and skills level in the country, but this is not at the pace needed and we have not reached the educational targets we aspired to. In addition, despite the political and policy intentions and interventionist skills legislation and active labour market strategies, levels of poverty, inequality and unemployment continue to remain high and growing alarmingly.

The Speakers Forum thus commissioned this research to inform the National Parliament how the analysis of skills legislation could inform changes to fast-track the delivery of post-school skills development in the country.

The key question that then frames this study is: How can legislation be used as lever to improve the levels of education and training and skills in the population and the workforce? We examine the regulated/ legislative space in relation to its intent and identify gaps and shortcomings to lowering levels of poverty, inequality and unemployment.

Our starting point is to define our use of the term 'skills development' in the context of this report. We take a broader approach to the understanding of skills development, which encapsulates *all forms of post-school education and training* and which recognises *a range of dimensions of skill, its use and purpose*<sup>1</sup>. We will subsequently refer to this as skills development that occurs within the ambit of the post-school education

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<sup>1</sup> We acknowledge the many debates regarding the definition of skills. Writings that reflect these debates include Vally and Motala (2014) *Education and Economy: Demystifying the Skills Discourse*. The authors of this report have chosen a pragmatic approach with the focus on the legislation and have not focused on the definitional debates.

and training system (hereafter called post-school skills development).

We also recognise that the development of skills is a necessary but not sufficient condition for employment. There are both agency and structural conditions that frame the relationship between education and employment (Allais & Nathan, 2014). One of the debates in the development sector is whether one would pursue a skills policy to improve economic growth leading to more jobs or a *growth strategy* which would then create jobs. We do not take a position in this debate and recognise the merits of both. However, given the low levels of education and skill in South Africa (McGrath et al., 2004), investments in education and training is a 'fail-safe policy' and serves both economic and social development goals.

## 1.1 Overview of the legislative frameworks and institutional arrangements for education, training and skills development

Under apartheid, the basic and post-secondary education and training sector was separate and unequal and the vast majority of Black Africans had very limited access to education (basic or post-basic) or training or workplace-based learning. The post-school skills legislation, provision and institutional structures and arrangements during this period explicitly enforced a demarcation between skilled white and non-skilled Black African workers.

Since then there have been many changes in the legislative environment, periodised by some (Badroodien & McGrath, 2005; McGrath & Badroodien, 2006) into different stages: a first stage (1994–1996) characterised by the 'evolution of ideas' and the 'integrative' National Qualification Framework (NQF) vision, a second stage (1997–1999) focusing on 'turning vision into legislation' and then a stage between (2000–2009) where the focus was on 'implementing the overall vision and review'. The post-2009 period is characterised, largely, by heightened legislative change in the wake of the creation of the Ministry of Higher Education and Training and changed governance arrangements. It is clear that this periodisation does not apply equally across all PSET subsystems (see, for example, Lange & Luescher-Mamashela with regard to regulation and governance in HE, 2016); yet it provides a starting point for considering legislative change regarding the provisioning of skills since 1994. Our own periodisation largely concurs with this but treats stage one and two as a single period (see below).

The 1994 democratic government inherited a population with low educational and skills levels and an education and training system that was fragmented, dysfunctional and unequal. The democratic state adopted an interventionist strategy and an inclusive education, training and skills policy to benefit the Black majority. This period started the repealing of apartheid legislation and institution of legislation that enabled educational access to all and redress for those affected by apartheid policies [including the *South African Qualifications Authority Act 58 of 1995* (SAQA Act), *National Education Policy Act 27 of 1996* (NEP Act), *Skills Development Act 97 of 1998* (SD Act), *Higher Education Act 101 of 1997* (HE Act) and the *Further Education and*

*Training Act 98 of 1998* (FET Act)]; legislation that enacted mechanisms for additional financial resources for education, training and skills development [*Skills Development Levies Act 9 of 1999* (SDL Act)] and legislation to fund financially constrained students (*National Student Financial Aid Scheme Act 56 of 1999* (NSFAS Act)] legislation that enacted mechanisms for additional financial resources for education, training and skills development.

From 1994 to 2009, the DoE was responsible (amongst others) for higher and technical vocational education delivered through the universities and further education and training (FET) colleges. The DoL was responsible for workplace skills programmes, delivered largely through the Sector Education and Training Authorities (SETAs). This split in the education, training and workplace skills training impeded delivery in education and training, and the skills system was considered as lacking in effectiveness and efficiency.

Government, in its fourth elected term (2009), created the single ministerial portfolio of HET. The portfolio removed the higher and further education and training functions associated with colleges and universities from the Minister of Education and left all school-related functions with a new Department of Basic Education (DBE). All skills-related functions associated with the National Skills Development Strategy (NSDS), the SETAs, the National Skills Fund (NSF), the National Student Financial Aid Scheme (NSFAS), as well as the National Qualifications Framework (NQF) and the South African Qualifications Authority (SAQA), were removed from the DoL and linked to the new Department of Higher Education and Training (DHET).

In the first few months after the creation of DHET a number of key pieces of legislation were amended in order to provide the necessary legislative authority for the new framework.<sup>2</sup> The *Skills Development Levies Amendment Act, 2010* (*SDL Amendment Act, 2010*) changed the line function of the entire levy system, from the DoL to DHET, and the *Higher Education and Training Laws Amendment Act 25, 2010* and the *Higher Education Laws Amendment Act, 2010* amended the *Adult Basic Education and Training Act (ABET Act), 2000*, the *Further Education and Training (FET) Colleges Act, 2006*, the *Higher Education Act (HE Act), 1997*, the *Skills Development Act (SD Act), 1998*, and the *National Qualifications Framework Act (NQF Act), 2008* along the same lines. Besides changing the line functions from the former Departments of Education, Labour and the provinces to the new Department, these amendments also introduced some key institutional changes. For example, private higher education providers were now required to register their qualifications on the NQF, and public providers were only allowed to offer programmes that were registered on the NQF. The changes proposed in the NQF Review were finally legislated and the establishment of the Quality Council for Trades and Occupations (QCTO) was enabled.

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<sup>2</sup> This section draws extensively from the analysis of the post-2009 skills landscape undertaken by Prof Volker Wedekind in the LMIP report Marcus Powell & Vijay Reddy (2014a) *An Architecture for Skills Planning: Lessons and Options for Reform in South Africa*, Report 9.

The legislative mandate that the new DHET was given can be summarised as follows:

- Responsibility for the university system and the Council for Higher Education (CHE) in terms of the *HE Act* (as amended)
- Responsibility for the public and private adult education system as governed by the *Adult Education and Training Act (ABET Act)* (repealed in 2013)
- Responsibility for public and private colleges as governed by the *Continuing Education and Training Act (CET)* (which previously was called the *Further Education and Training (FET) Colleges Act*)
- Responsibility for the student financial aid system as governed by the *NSFAS Act*
- Responsibility for the NQF and sub-frameworks, as well as institutions associated with this, such as the South African Qualifications Authority (SAQA) and quality councils (Umalusi, QCTO and the Higher Education Quality Committee/HEQC) as governed by the *NQF Act*
- Responsibility for the skills development system, including the NSDS, skills development levies (SDL), the SETAs, the National Skills Fund (NSF), the National Skills Authority (NSA), and the regulation of apprenticeships and learnerships as determined by the *SD Act* and the *SDL Act*.

These changes had many consequences. Firstly, they undid the logic of the three-band structure of the NQF that had shaped the education system to date, and now drew the major organisational distinction between the schooling system on the one hand, and the entire adult education and post-school system on the other hand. In doing so, it also integrated the formal education and training system with the skills system. While the institutional structures have been progressively aligned to this new logic, there remain some key policy-related structures and processes that fall outside the control of the DHET. The early enabling legislation also signalled a general intention to close loopholes and reign in private providers, many of whom were perceived to have been profiteering from the skills system.

The second set of processes related to actual interventions in the education, training and skills landscape and the establishment of new entities. The widely held perception that the skills system was ineffective, inefficient and in some cases corrupt, was addressed fairly quickly with the SETAs being the first structures to be interrogated. Already in November 2009 when the DHET announced that it was taking over responsibility for skills development (and oversight of the SETAs) from the DoL, it acknowledged that several problems needed to be addressed, including that:

- there were negative perceptions about the performance, management and governance of the SETAs,
- there was an inadequate alignment of industry needs relating to the provision of training and skills development, particularly in relation to artisans and technicians,
- there was a need to align skills development efforts to support the implementation of the industrial policy action plan.<sup>3</sup>

<sup>3</sup> Statement issued by Mr Thabo Mashongoane on behalf of DHET (see [www.vocational.co.za](http://www.vocational.co.za))

Less than six months later, DHET proposed a new SETA landscape. While there had been calls for the abolishment of the SETA system from some stakeholders,<sup>4</sup> the DHET action taken was not as drastic. Fifteen of the existing 23 SETAs were recertified with only minor changes. Six new SETAs were formed as a result of the merger of existing SETAs or sub-sectors of SETAs, resulting in an overall reduction of only two SETAs. However, DHET oversight of SETAs was strengthened and changes in the governance structures were also proposed, including a new generic constitution for the councils.

FET colleges were also progressively brought under the purview of the DHET. A significant number of colleges were placed under administration and governance systems were overhauled. Short-term interventions in the curriculum enabled colleges to continue to offer courses under the NATED Report 191 alongside the new National Certificate Vocational (NCV).

The National Skills Fund had been in existence for just over a decade and under the new DHET alignment it shifted its funding priorities to align it with those of the DHET and the NSDS III specifically. Under the *SD Act* the NSF was set up to fund national priorities identified in the NSDS, as well as other projects as determined by the Director-General. In its first decade, the fund tended to provide relatively small grants to a large number of projects (224 projects were funded under the NSDS II process) and often bolstered SETA funding when the SETA priorities could be argued to be national priorities.

Under the DHET a clearer distinction was drawn between the SETA processes and the NSF, and NSF funding was utilised to fund priorities through other entities such as NSFAS. Projects after 2011 were focused on NSDS III, as well as skills for specific government initiatives such as the *National Development Plan (NDP)*, *Industrial Policy Action Plan (IPAP)*, the Green Economy and sectors such as education and health. A significant part of the new NSF orientation was the funding of bursaries (through NSFAS) and investment in the TVET college sector, where NSFAS had only funded university students before. The minister's commitments to strengthen the public sector saw almost all funding being channelled through public entities such as colleges and various government programmes, although there was also support for co-operatives and other community-based entities.

Two new structures central to the skills landscape were put in place under the new DHET. The first was a new section within DHET called the National Artisan Moderating Body (NAMB). NAMB was established at the end of 2010 and tasked to coordinate artisan development throughout the country. The decline of apprenticeships and the shortage of artisans had been repeatedly emphasised in various skills audits. Furthermore, through the sector-based structure of the SETA system, artisan training was dispersed across a number of bodies with different assessment requirements and standards. NAMB was created to set standards for artisan training, standardise instruments of assessment, and maintain a database of assessors, as well

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<sup>4</sup> See for example <http://www.skillsportal.co.za/page/features/letters-to-the-ed/636731-Seta-system-is-great-on-paper-but-very-weak-in-implementation>.

as recommend certification to the QCTO. Furthermore, in line with the general orientation of the DHET, FET colleges were seen as a crucial part of the system and NAMB was specifically tasked to link the artisan development system to the colleges.

The second new part of the system was the creation of the Quality Council for Trades and Occupations (QCTO). Established in 2012, the QCTO is responsible for the sub-framework on the NQF dealing with trades and occupations, and for the assurance of the quality of programmes on that sub-framework. This latter function had been performed by SETAs, and to a great extent the QCTO has continued to rely on SETAs to do this work on its behalf. However, as it develops its capacity so it will progressively take over this function.

The various parallel processes relating to higher education, technical and vocational education and training (TVET), workplace-based training in DHET were consolidated through the *Green Paper* and later a *White Paper for Post-School Education and Training* (WP-PSET). The White Paper (WP) was gazetted in January 2014 and maps out the new vision for the post-school system for which the DHET is responsible. Many of the recommendations of the WP-PSET build on the previous policy processes and reviews, and thus the WP represents the most comprehensive overview of the system as it is intended. The WP envisages significant expansion of the system at all levels (in keeping with targets in the NDP), but particularly seeks to expand the vocational part of the system. FET colleges were to be renamed as TVET Colleges, the role of the South African Institute for Vocational and Continuing Education and Training (SAIVCET) is clarified, and universities are to become clearly differentiated (although there is little detail in this regard).

Presently, the DHET is developing the implementation plan for the Post-School Education and Training System and is amending legislation and policies in line with the WP-PSET. This next period will see amendments to legislation, as well as new legislation, to facilitate the effective implementation of the WP-PSET.

The HSRC research team framed the study by asking the key research question: How can legislation be used as lever for improvements in the PSET-SD system? We sought to answer this question by conducting a systemic review of the skills legislative and policy system, and undertook focussed analyses of three core Acts in order to identify emphases that enable, as well as silences and gaps that may be impeding South Africa from meeting its developmental goals of decreasing poverty, inequality and unemployment.

## 1.2 The South African skills challenge<sup>5</sup>

The South African education, training and skills challenge is paradoxical with a structural mismatch between labour demand and supply: the economy and labour market shows a demand for high-skilled workers, but there is a surplus of low-skilled potential workers. The economy must therefore respond to the twin challenges of participating in a globally competitive environment, which requires a high skills base, and a local context that demands more labour-intensive, lower-end wage jobs to absorb the large numbers who are unemployed, in vulnerable jobs and the growing levels of particularly young people, as first-time labour market entrants.

The skills development challenge is not to focus only on a small number of skilled people in the workplace, but also on the unemployed, the youth, low-skilled people, the marginalised, and those in vulnerable forms of employment, including the self-employed. The dilemma facing policy-makers is how to respond to these diverse sets of development needs and diverse occupational pathways, and decide how resources should be targeted for inclusive skills development. These imperatives may seem paradoxical, but all are essential to achieve a more inclusive growth and development trajectory.

### 1.2.1 What are skills?

In the context of this report, our starting point is to take a broad definition of skills development which encapsulates *all forms of post-school education and training* and which recognises a range of dimensions of what is a skill, its uses and purposes. Debates as to the definition of skills in relevant literature propose several useful conceptual distinctions (e.g. Nuwagaba, 2012; Winch, 2011; Allais, 2011; Knight & Yorke, 2003; SAQA, 2013).

- A skill or set of skills can be seen as a competence that an *individual* holds or that is an attribute of a *collective* group of people who develop and exercise that skill in their workplace interactions.
- Skills can be *formally recognised* in terms of formal qualifications, but especially in informal labour contexts and with respect to workers who are not in a formally recognised category of skilled labour, there is often a high degree of *informal skills*. Informal skills may become formally recognised by means of processes such as the recognition of prior learning (RPL).
- Skills are the result of *formal, non-formal* and *informal* learning. Formal skills development is that which leads to formal qualifications, whereas non-formal skills development refers to planned educational interventions that are *not* intended to lead to formal qualifications (or parts thereof). Informal learning occurs in all kinds of daily activities (at work, in family or community life, or leisure) and includes incidental learning.

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<sup>5</sup> Sections 1.2; 1.3; 1.4; 1.5; 1.6 draw largely from the LMIP report *Skills Supply and Demand in South Africa* by V. Reddy, H. Bhorat, M. Powell, M. Visser and F. Arends (<http://www.lmip.org.za/document/skills-supply-and-demand-south-africa>).

- The definition of *core or foundational skills*, *intermediate* and *high-level skills*, *scarce skills*, and so forth, is eminently contextual. Categorising skills in this manner must be relevant to, and applicable in, local as well as national socio-economic contexts (especially the local economy and labour markets), and is also a function of policy priorities and definitions contained in relevant regulatory frameworks.

These definitions and categories of skills are integral to the conceptualisation of skills development and its role in society, which can basically be summarised into a narrow and a broader view. In this report we do not subscribe to a narrow view of skills development, which only refers to one specific type and level of training – usually intermediate level skilling for occupations and trades, and/or workplace-based learning (WPBL) – and which tends to prioritise formalised education and training and focus only on skills for the formal economy. Employability, responsiveness, competitiveness, competence and experience are typical notions focused on when using a narrow view (e.g. Crouch, Finegold & Sako, 1999; Brown, Green & Lauder, 2001; McGrath et al., 2004; Kraak et al., 2006).

Our broader approach to the understanding of skills development expands on the narrow notion to also recognise the bigger public and private good dimensions of skills development (such as citizenship development), the individual *and* collective aspect of skills for the formal *and* informal labour markets, as well as formal and not formally recognised skills (Nuwagaba, 2012; King & Palmer, 2007). Broadly speaking, skills development in this sense is about enabling individuals and collectives “to become fully and productively engaged in livelihoods and to have the opportunity to adapt these capacities to meet changing demands and opportunities” (King & Palmer, 2007: 8; also see: Baatjes et al., 2014; Wedekind, 2013; Allais, 2012; Vally & Motala, 2014; Ngcwangu, 2014).

### 1.2.1.1 Foundational and core skills, intermediate and high-level skills

It is common to categorise skills, and especially formal skills, in terms of three basic categories: foundational (or core or basic) skills, intermediate skills and high-level skills. The notion of core skills then refers to literacy, numeracy, communication skills, teamwork, basic problem-solving skills and learning abilities, as well as awareness of one’s social, economic and political environment and related basic rights (e.g. citizenship rights; workers’ rights), all of which are considered basic building blocks for becoming productively engaged in livelihoods, lifelong learning and the capability to adapt to change (Aggarwal & Gaskov, 2013; King & Palmer, 2007). In the South African policy context, reference to foundational learning competence (FLC) contains elements that align with this notion of core skills.

The notion of intermediate skills typically refers to more specialised general, occupational and technical skills; and higher-level skills is used more typically in relation to academic and professional skills. Intermediate and high skills create opportunities for higher quality and higher wage employment that require more specialised competences (e.g. Aggarwal & Gaskov, 2013).



There is no direct correspondence between these categories of skills and NQF levels. While core or foundational skills are the key focus of learning outcomes up to NQF level 1 (Grade 9), they continue to be fostered, applied and assessed at consecutive levels. A basic principle underpinning the NQF is that learning achievements (or level descriptors) are “cumulative i.e. there is progression in the competencies from one level to the next” (SAQA, 2012: 4); yet, the above categories are not exclusive to any particular level. Looking at NQF level descriptors, one can see that the GET NQF level 1 emphasises general knowledge and skills; the FET NQF levels 2 to 4 introduce notions such as practical and specific skills and intermediate skills, and NQF level 4 (leading to the NSC and NCV, for example) refers to more specific skills and knowledge. Eventually, in the HE band, NQF level 5 introduces the idea of basic higher-level skills alongside notions of specialised intermediate skilling (on the occupational pathway). At the postgraduate Honours, Master’s and PhD levels (NQF levels 8 to 10) explicit reference is made to high-level and advanced skills.<sup>6</sup>

Some corresponding classifications can be found, however, in policy-relevant work. Important for our purposes are the skill levels referred to in the Organising Framework for Occupations (OFO) (DHET, 2012a). The OFO uses the four ISCO-08 skill levels to define occupational skill level 1 in relation to NQF levels 1 and 2; skill level 2 is related to NQF levels 3-5; and skill levels 3 and 4 as NQF 6-10. In this report, when we refer to entry level, intermediate and high skills, we typically do so having the NSDS categorisation in mind.

### 1.2.1.2 Scarce skills

A special category of skills are scarce skills, which refers to skills demanded in occupations where there is a scarcity of qualified and experienced people, currently or anticipated in the future. This scarcity may be due to a lack of skilled people or skilled people are available but do not meet certain employment criteria. The former is referred to as ‘absolute scarcity’: suitably skilled people are not available, for example, because they are demanded by a new or emerging occupation, where there are few, if any, people in the country with the requisite skills (qualification and experience) and where education and training providers have yet to develop learning programmes to meet the skills requirements. The latter refers to ‘relative scarcity’: Here suitably skilled people are available but do not meet other employment criteria, such as geographical location (they are unwilling to work outside a certain area), or equity considerations (where there are few, if any, candidates with the requisite skills from a specific population group). ‘Replacement demand’ also reflects a relative scarcity and refers to the case where there are people in education and training (in formal institutions and the workplace) who are in the process of acquiring the necessary skills but they are not yet available to meet replacement demand (Erasmus, 2006).

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<sup>6</sup> The NQF is discussed in detail in Section 3. An overview of NQF levels, bands and pathways, and corresponding qualifications, is provided there (Figure 11, page 40).

As with other categorisations of skills, the definition and identification of scarce or critical skills is eminently contextual, and in terms of policy, it is a policy instrument to inform human resources planning and development, resource allocation and prioritisation, the development of relevant curricula and qualifications, and international recruitment strategies. The national JIPSA report *Growing priority skills in South Africa* (2010), and the *National Scarce Skills List* (2014) provide such contextually-grounded, evidence-based policy instruments.

It is against this understanding of different definitions and categories of skills that – unless we use more specific terms – we mean by skills development *all forms of post-school education and training*. This aligns with a number of arguments elaborated below regarding the importance of the NQF as an overarching framework, the value that formal qualifications hold in the labour market and South African society at large (and the importance of recognising informal skills by means of RPL), and therefore the need to tackle the skills development challenge concertedly with *expanded formal provision* of post-school education and training, including WPBL, identifying specific target groups and including skills development processes and different actors that extend access to skills, in order to impact on the challenges of poverty, inequality and unemployment.

### 1.2.2 The South African skills context

The majority of South Africans are young, with two thirds of the population younger than 34 years of age (one third are between the ages of 15 and 34 years and one third under 15 years old). In 2014, the South African labour force was made up of 15 million employed and 7.5 million unemployed persons. Three quarters of the employed and 90% of the unemployed are from the African population group. Unemployment is particularly high amongst youth (two thirds of the unemployed are in the age group 15 to 34 years) and this is increasing as more young people join the labour force. South Africa's unemployment rates are higher than many of its middle-income country peers (Table 1). Further, the unemployment rate is growing and presents a major political, social and economic challenge.

**Table 1:** Middle-income country comparison of unemployment rates, 1994 and 2014

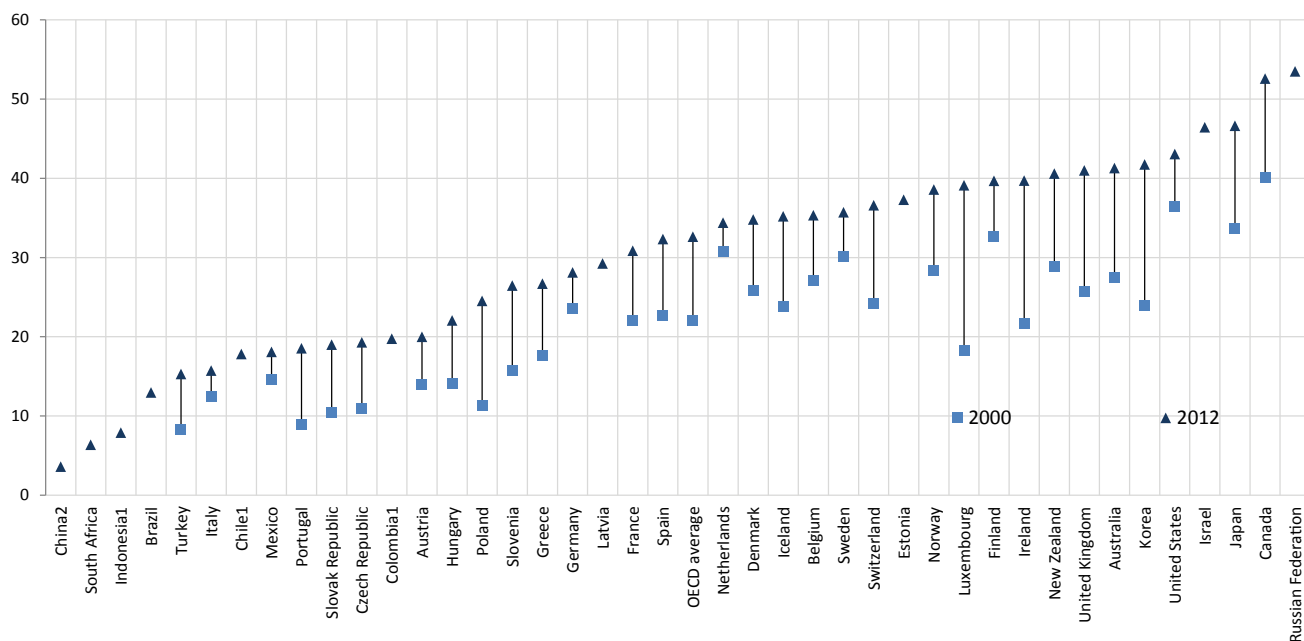
	Unemployment rate (%)	
	1994	2014
South Africa	20.0	25.1
Turkey	8.6	9.2
Philippines	8.4	7.1
Brazil	6.0	6.8
Indonesia	5.0	6.2
China	4.3	4.7
India	3.7	3.6
Malaysia	3.8	2.0

Source: World Bank (2016)

The education levels in the country are low. Of the employed population, 20% has a higher education qualification, 32% has completed senior secondary education, and close to half of the workforce do not have a Grade 12 certificate. Close to two thirds of the unemployed has less than a Grade 12 certificate. This translates to 11.75 million of the labour force with less than a Grade 12 certificate.

As South Africa aspires to improve its level of education and skills, it is important to benchmark our education and skills level against other countries. Figure 1 provides the comparative statistic for tertiary education for 25 to 64 year-olds in a number of countries.

**Figure 1:** Percentage of tertiary educated 25-64 year-olds in 2000 and 2012



1. Year of reference 2011.

2. Year of reference 2010.

Countries are ranked in ascending order of the percentage of 25-64 year-olds who have attained tertiary education in 2012 (or latest available year).

Source: OECD (2014: 30)

Amongst the countries compared, South Africa has one of the lowest levels of higher education in its population. In Brazil, 13.0% of the 25-64 year-old population had attained a tertiary education qualification in 2012, compared to South Africa where 6.4% attained the same qualification. While it is acknowledged that South Africa started off in 1994 from low levels of education, it is imperative that the levels of higher education of the population and workforce increase to support growth and productivity of the economy.

### 1.2.3 The economy and jobs

The South African economy has been characterised by low economic growth rates and has recently been described as in a 'technical recession'. This low (and negative) growth leads to poor (or no) employment

growth. The post-apartheid period has delivered an economy characterised by an eroding primary sector and a weak and un-dynamic manufacturing sector. Growth has been built on large capital-intensive industries. This structural shift explains the absence of low-wage jobs in the manufacturing, mining and agricultural sectors. The most significant change over the 2010 to 2014 period has been the growth in the number of workers in elementary occupations in the state sector and this is not a sustainable growth pattern.

The sectors in which people work and the types of jobs available are changing. There has been a structural shift towards a service economy and the financial services sector. The financial services sector contributes towards growing the country's Gross Domestic Product (GDP), but offers negligible opportunities for employment growth. In these sectors there is a high demand for high-skilled tertiary education completers, especially in Science, Technology, Engineering, and Mathematics (STEM) subjects.

While the shares in female students in both university and TVET colleges have increased, there are still gender differences in the fields of qualification (males are more likely to study and graduate in the fields of STEM-based subjects and females are focussed on Health, Education and Social Science subjects). The pattern is similar by racial categories: participation by the African population group in the university sector increased to 70% and in the TVET sector to 89%. The participation of the different racial groups by Classification of Educational Subject Matter (CESM) categories shows that relative to the size of the particular racial group, the enrolments and completions are higher for the White and Indian/ Asian groups.

#### 1.2.4 Education and the supply of skills

A critical constraint for the post-school education and training system and the labour market is the quality of basic education. Success in the school subjects of Languages, Mathematics and Sciences forms the basis for participation and success in technical subjects in post-school education and training institutions, and in the workplace.

Presently, each year around 140 000 Grade 12 students complete the matriculation examination with a bachelor's pass, and of these only around 50 000 students pass Mathematics with a score higher than 50%. The pool of students who can potentially access university and STEM-based TVET programmes is very small, in comparison to the skill demands in the country.

The university and TVET college subsystems are the largest components of the PSET system. In 2014, there were around 1.1 million students in the university sector and 0.8 million students in the TVET sector. Completion rates at both universities and TVET colleges are less than desirable in that in 2014 there were 185 000 completers from the university sector, and in the TVET sector, while 21 000 NCV4 and 57 000 NATED6 wrote the examination, only 7 400 NCV4 and 24 200 NATED6 completed the programme.

Access to school, universities and TVET colleges has improved. However, quality remains elusive, leading to low progression through institutions, as well as low completion rates from schools, TVET colleges, and universities.

### 1.2.5 Where do those with a higher education qualification work

Analysis of *Quarterly Labour Force Survey* (QLFS) data revealed that nearly half of the higher-education graduates are employed in the community, social and personal services sector, which is dominated by the public sector. The public sector positions offer graduates a good salary and conditions of service. Unfortunately, this is distorting the labour market and not attracting graduates to the private sector.

A high proportion of the Science and Engineering graduates, from both HE and TVET sectors, prefer to work in the financial services sector, as opposed to the manufacturing sector. SET qualifications are versatile and graduates will move into different fields of work. The implication for skills planning is that we need a higher number of SET graduates than needed by the SET occupations.

## 1.3 Skills challenges in other countries

India, similar to South Africa, suffers from a growing mismatch between skills and available jobs. The labour market outcomes are better for those with high-level qualifications, while the country has an overabundance of low- and unskilled workers, amongst whom unemployment is the highest (Unni, 2016). In order to address these imbalances within the India context, Unni (2016) recommends a policy orientation which *encourages non-graduate technical and non-technical certificate holders into the lower graduate-intensity occupations*. In other words, the recommendation is for policy to support and incentivise more people to enter into intermediate level education and work, rather than professional level education and work. This, he maintains, would help to close the skill gap and reduce the pressure on graduate higher education institutions (Unni, 2016). Aggarwal (2014) emphasises that national policy does not clearly identify the actions and strategies which will be adopted in the future leading to no clear plan or provision for how to deal with some of the country's key skills development issues: for example, there is no direction on how the needs of those employed in the informal sector will be accommodated, nor does it address the problem of child labour and how it can be mitigated through vocational programmes (Aggarwal, 2014). This leads Aggarwal to advocate that in India skills development policy needs to more explicitly promote TVET within the informal sector.

Pakistan is trapped in a circle of low education, low productivity and low incomes, which makes it hard for people to escape poverty (Khan et al., 2009). To improve skills development outcomes, they advocate for the *development of a long-term strategy which emphasises the development of key skills in demand* within the labour market (Khan et al., 2009). In particular, they recommend an emphasis on increasing the overall quality and quantity of TVET in Pakistan, as they feel that current TVET institutions are not well perceived by Pakistanis (Khan et al., 2009).

In Uganda, Nuwagaba (2012) describes the challenges associated with promoting TVET pathways amongst prospective students. In this context, TVET institutions are poorly regarded, and considered less attractive options than traditional higher education institutions (Nuwagaba, 2012). This perception has led to the TVET being underutilised while universities are unable to meet demand. He recommends leveraging the private sector through linkages between corporations and training institutions (Nuwagaba, 2012). Nuwagaba (2012) recommends that vocationalisation should be integrated into formal training structures and systems in all institutions of learning. As a way forward, he underscores the need to adopt a new national qualification framework (Nuwagaba, 2012).

In the case of Singapore, Kuruvilla and Chua (2000) assert a key and explicit role for government to intervene and lead skills development initiatives. They identify the major reasons for Singapore's success in workforce skills upgrading relating to; the establishment of a good linkage between economic development needs and skill formation, facilitated by a *centralised institutional structure*; a model of technology and knowledge transfer which facilitated the ability of the economy to meet short and medium-term skill development needs, and; educational reforms for long-term skills development, with institutional linkages across different skills development institutions which facilitated communication and coordination (Kuruvilla & Chua, 2000). In sum, they argue that Singapore's skill development mechanisms have been successful because they benefited from a concerted national effort, and have now become a standard of international best practices (Kuruvilla & Chua, 2000).

Similar to South Africa, Nigeria faces a high rate of youth unemployment in the country and a constrained labour market where many young people are in search of non-existing jobs. Here Awogbenle and Iwuamadi (2010), based on an exploration of youth unemployment that has continued to grow in developing countries despite neo-liberal strategies designed to address the challenge, argue for the need to orient people of these affected economies towards *self-employment and entrepreneurship* through vocational and entrepreneurial training programmes as a short-term intervention mechanism.

#### 1.4 The possibilities and limits of legislation as a lever of change

Legislation can be understood simply as a collection of laws that speak to a particular aspect of society. In this study we differentiate between *Acts* and *Policy* documents. The former is considered law, setting out standards, procedures and principles that must be followed, and that if not followed, those responsible for breaking them can be prosecuted in court. Acts are legal documents and their purpose is to set out a normative and conceptual framework and establish entities, instruments and mechanisms that focus on operationalisation and implementation.

Policies, on the other hand, are by nature more comprehensive than Acts. They can outline what a government ministry hopes to achieve, its guiding principles, goals and objectives, and the methods it will use to achieve them. While a policy document is not a law, it will often identify new laws needed to achieve its goals.

## 1.5 The study approach

Our perspective in this study is that one cannot understand legislation or assess it by only considering what is contained in the relevant Acts; one has to consider the entire policy system or 'regime'. Thus we approached the study taking into account the Acts, policies, strategies and frameworks which aim to conceptualise, operationalise and implement the goals of legislation.

There are five evidence bases that feed into our analysis and overall set of recommendations:

- An in-depth review of literature related to skills development
- A review of the policy landscape relating to education, training and skills development in South Africa
- A systemic review of the entire policy system that impact on the production of skills (Legislation, Policies and Strategic Frameworks and Plans)
- The analysis of interviews with key experts in the PSET system and submissions to the high-level panel project with regards to skills development
- Three focused analyses of core legislation governing skills development in the PSET system in the country.

In the following section, we therefore present the findings of a systemic analysis of the post-school skills development policy system (including other policy and legislation that also have a bearing on the production of skills in the PSET system). This analysis provides a broad overview of policy coherence and alignment with principles that we propose would reflect an inclusive skills development regime.

The third section will then delve into the depth of three core pieces of legislation that govern post-school skills development: *the NQF Act, the SD Act, and the CET Act*.

The final section concludes with a set of high-level and specific recommendations that have the potential to enhance the ability of education, training and skills development legislation to act as a lever of change to respond more effectively to the challenges of poverty, inequality and unemployment.

## Section 2

### A systemic review of the skills regulatory framework

Analysis of policy and legislative *intent* at the macro level is a necessary first step to building a systemic understanding of the constraints and facilitators in the current skills development system towards addressing poverty, inequality and unemployment. It may be that there are gaps in the legislative environment, in that there are missing incentives or instruments to redress inequality; or there may be a lack of alignment between the goals and instruments of the many departments involved in skills development; or there may be blockages impeding the successful roll-out of instruments that have worked in other country contexts.

We draw on the approach of network alignment to inform the logic of the systemic review of policy in the skills development system (Von Tunzelmann, 2010). Network failures – or misalignment – relate to constraints at the system level. Networks may exist, but may have goals that do not promote development for the system as a whole.

To guide the analysis of legislation and policy, we draw on a normative framework developed by Foster and Heeks (2015) that was designed for assessing alignment across policy worldviews, principles, goals and instruments towards an inclusive innovation policy system. We adapt this framework, based on an international comparative analysis of national skills development policies (across 12 countries), to align these policies better with national goals for an inclusive, integrated and responsive skills development system (ILO, 2013).

In order to assess how and whether the policy environment enables inclusive skills development, we consider five different elements (illustrated by the five boxes in the resultant framework summarised in Figure 2 below).

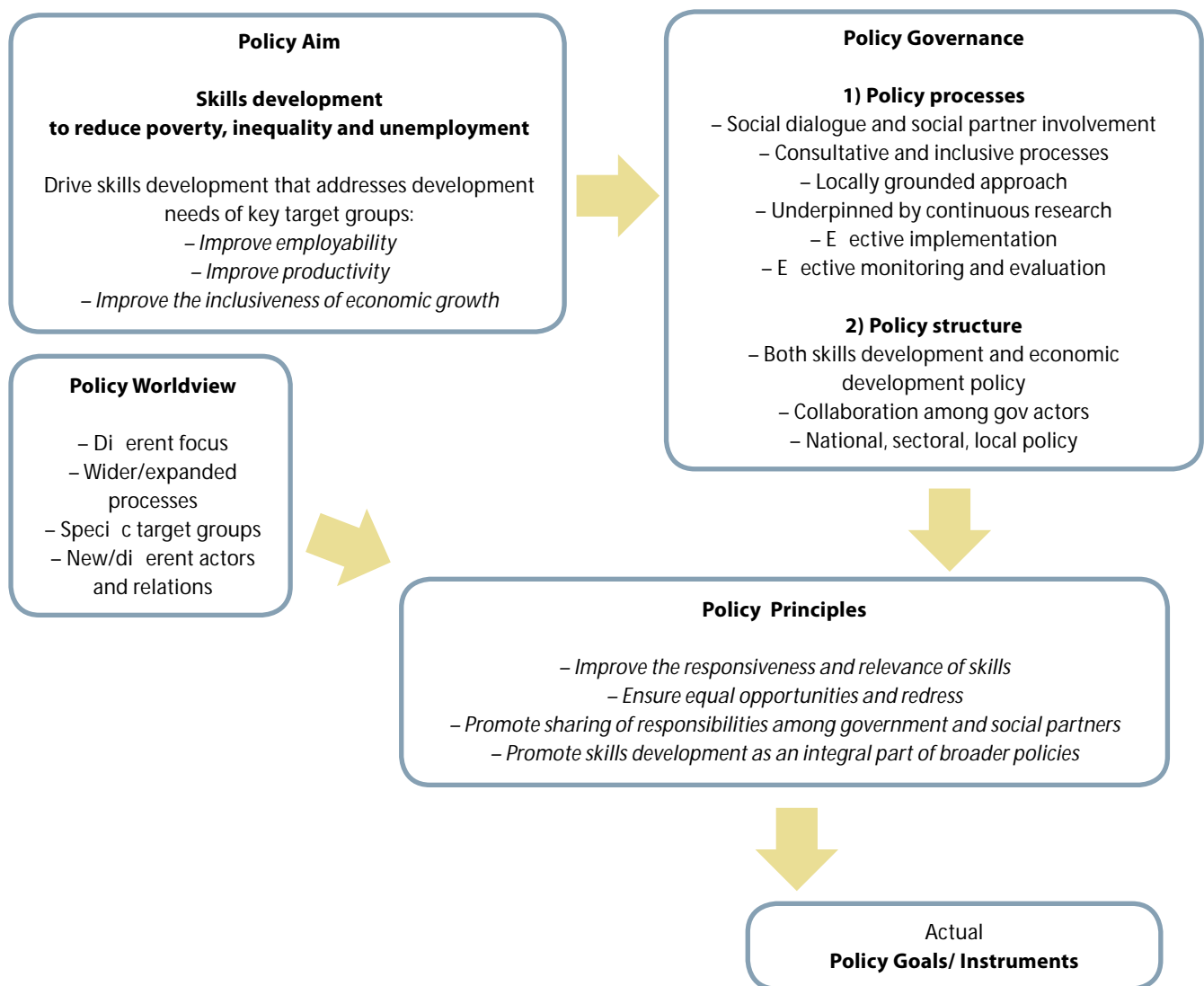
Firstly, it is essential to have a clear sense of what a transformative policy system would look like. This is why it is important to start with a conceptualisation of what an inclusive skills development system would aim for (summarised in the *policy aims* box). We propose that in order for a national skills development system to better address poverty, inequality and unemployment, a broader conceptualisation of skills development is required. Specifically, in addition to the traditional emphasis on employability in the formal sector and contribution to productivity, we highlight the need to develop the capacity to fully engage in *livelihood opportunities, to move between occupations and sectors and adapt to the changing nature of work*, as these features speak to a holistic approach to skills development (ILO, 2013).

It is also important to consider the policy processes and structures that would be required to achieve such an inclusive system (summarised in the *policy governance* box). Considering the policy structure also informs



the scope of the policy review. For example, if a more inclusive system is based on a policy structure that aims towards collaboration, then it would be important to include the policy documents of a wider range of government departments, rather than only the main government department responsible for skills development. Considerations around the appropriate policy governance, definition of skills development, the actors, target groups, processes and relations (summarised in the *policy worldview* box) that would be illustrative of a more inclusive skills development system, together with the review of literature, informs the conceptualisation of appropriate policy principles to guide the analysis of the selected policy documents. The national policy system has to drive skills development that addresses the skills development needs of all, and especially of vulnerable and marginalised social groups: young people with complete or incomplete formal schooling who are not in employment, education and training (NEETs), workers in the informal economy, adult workers and work seekers, and disadvantaged groups in general. The policy system thus requires a set of policy goals that targets a wider set of actors, stakeholders and processes to more effectively reach the vulnerable and marginalised.

**Figure 2:** A normative framework for the review of skills legislation and policy



(Adapted from Foster and Heeks, 2015, and ILO, 2013)

Finally, with a normative set of principles, the research team considers the operationalisation and implementation of policy through identifying the policy goals and instruments present across the range of policy documents included in the review. Once identified, these are categorised/organised alongside the normative principles, which then allows analysis of the nature and focus of the skills policy system (as shown in section 2.3). Our focus is thus on the skills policy environment, the worldview it espouses and the *intended* goals and *actual* instruments enshrined in the 'system'.

We thus propose in this analysis that a skills development policy system oriented to address poverty, unemployment and inequality should encompass the following principles. It should:

- improve responsiveness and relevance of skills;
- ensure that skills development reflects the needs and constraints of all South Africans and that all have equal opportunities to access skill development, including provisions to redress disadvantage;
- promote the sharing of responsibilities for skills development among an extended range of government and state actors, as well as 'new' social actors, and;
- promote skills development as an integral part of broader policies.

## 2.1 Core landscape for skills/landscape of legislative change

The South African landscape of legislation with a direct bearing on skills development over the last 20 years has been a very active space. The period immediately after 1994 saw the repeal of apartheid legislation and a massive effort to develop a new post-school education and training system that would redress the apartheid past, both in terms of the number and type of institutions involved in skills development, the type of skills development they provide (and related services), and the demographic profile of individuals participating in skilling. From 2010 there has been a new vigour in the PSET-SD domain with many legislative and regulatory changes coming in the wake of the creation of the Ministry and Department of HET and its efforts at creating an integrated and coordinated national PSET system.

Figure 3 below provides a timeline of legislative change with respect to Acts with a direct bearing on the development of skills in the post-school education and training system included in the systemic review, since 1994 to the present.

**Figure 3:** Timeline of legislative change with a direct bearing on the production of skills, since 1994



The timeline indicates two periods of heightened legislative activity:

- the period from 1995 to 2000 when the core of the post-apartheid, post-school education and training legislation was put in place, and;
- the period from 2010 to the present when this legislative system experienced its largest overhaul yet in the wake of the establishment of the DHET.

The period between 2000 and 2010 can be considered one of legislative consolidation, with the main legislative changes predominantly in the higher education subsystem (to facilitate mergers, for example), the notable establishment of Umalusi by means of the *General Further Education and Training Quality Assurance Act of 2001*, and eventually the culmination of the long NQF implementation review (see case study below) in the repeal of the *SAQA Act* and promulgation of the *NQF Act*.

Not included in this timeline (but in the systemic review presented in this section) is 'contextual'<sup>7</sup> legislation that sets out active labour market and social inclusion strategies for redress with a potential bearing on skills, such as the *Broad Based Black Economic Empowerment Act (BBBEE Act)*, *Employment Equity Act (EE)* and *Co-operatives Act*. The role that co-operatives can play in providing wider access to skills and employment opportunities makes it a potentially important piece of legislation to include in the analysis for this study. The Presidential Growth and Development Summit, held in July 2003, endorsed special measures to support co-operatives as part of strategies for job creation in the South African economy (Philip, 2003). Skills development also occurs through workplace-based learning and/or experiential learning components or programmes (see below, section 3) and thus it is important to include Acts such as the *Labour Relations Act* and *Employment Services Act*. Not only does the labour market shape the demand for skills and identify particular target groups to focus on in facilitating their transition into the formal labour market, but when skills development occurs through placement in workplaces, these Acts form the framework of conditions that have to be adhered to in an employment setting.

The formal post-school education and training policy system has therefore undergone substantive change over the last 20 years, most evident in the Higher Education (HE) and Continuing Education and Training (CET) subsystems, but also notable are a number of amendments to the workplace-based learning (WPBL) domain regulated in parts through the *SD Act*. Currently, the system is still in a period of vigorous legislative and policy change in response to the *WP-PSET* DHET (2014). Several experts have noted that going forward one must be cautious about the extent to which further changes to legislation are proposed. Consolidating the new legal framework, clarifying and where possible simplifying it, may be the 'cautious' route. Based on the analysis that follows in the next two sections, this report makes both 'cautious' recommendations, as well as others that may be considered more 'radical'. Most importantly, given that there are several government departments participating and/or impacting on skills development, what is important when considering any kind of legislative change is that there is strong co-ordination and alignment with DHET legislation and policies (and vice versa) to avoid any policy contradiction and maximise on possible synergies in the quest to address the critical challenges of poverty, inequality and unemployment.

## 2.2 Design and methodology

Mapping the potential synergies, duplication and gaps across potentially hundreds of policy principles, goals and instruments is an extremely complex task. We propose to replicate and apply a new methodology we recently developed for conducting a systemic policy review (Petersen et al., 2016).

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7 As applied in the systemic review, 'contextual' legislation and policy refers to policies and legislation that while not directly responsible for skills development, contribute to an enabling or constraining context for skills development.

### 2.2.1 Selecting departments and core legislation and policy

The first step was to identify the key national government departments and entities whose legislation and policy related to skills development should be the focus for the review. We distinguished between departments that promote skills development directly, and departments responsible for policy that create the institutional conditions for skills development, outlining focus target groups and priorities for skilling and employment (referred to by Foster & Heeks (2015) as contextual policy and legislation).

While DHET is clearly the main driver of skills development, having the legislative mandate to more directly steer the production of skills to align with societal and/labour market needs, there are other government departments that also have a legislative mandate (albeit smaller) to produce or shape the production of skills in line with national priorities. The list of departments selected for the systemic review thus also include national departments responsible for policy that indirectly impact on the production of skills (i.e. the Presidency; the Department of Labour (DoL); and the Department of Agriculture, Forestry and Fisheries (DAFF) which, through its agricultural colleges, is also involved in training focused on inclusion) and the Department of Public Works (DPW) through its expanded public works programme; and national departments responsible for inclusive economic development policy, such as the Economic Development Department (EDD); the Department of Trade and Industry (Dti); and the Department of Small Business Development (DSBD).

Appendix 1 reflects a list of government departments, their legislation, policy and strategic plans/frameworks that were included in the review. We see legislation and policy as setting out the policy intent, and strategic plans and frameworks as serving to further operationalise this policy intent. While not included in the table, annual reports of the departments were consulted where information on policy instruments needed to be further verified or clarified. From the seven departments and nine entities included in the review, we gathered a total of 63 Acts and related policy documents for analysis.

### 2.2.2 Content analysis of legislation and policy texts

The second step in the systemic analysis was to design an instrument for data gathering, informed by the framework illustrated in Figure 2 and a reading of the most recent reviews of the system, to define key dimensions and categories for analysis (these are outlined in Appendix 2). The third step was to systematically organise and analyse the data in terms of its alignment with the principles of a skills development system set up to address poverty, unemployment and inequality. Firstly, this involved content analysis of the policy system 'world view' as to whether the legislation, policies and strategic plans/frameworks use words/text that illustrate a more inclusive approach to skills development. Secondly, through the use of thematic analysis, we analysed policy goals and instruments. The analysis proceeded both from what emerged from the legislation and policy texts (inductively), and from the framework presented in Figure 2 above (deductively).

Table 2 below shows the goals that were identified in South African legislation and policy through this analysis, thereby indicating the ways in which current legislation and policy aims to use skills development to reduce poverty, inequality and unemployment.

**Table 2:** Goals in SA policy and legislation addressing poverty, inequality and unemployment through SD

Principles	Goals identified from the analysis of SA legislation and policy texts
<b>Responsiveness and relevance of skills</b>	Improve responsiveness and relevance of skills
	Development of core skills as the building blocks for lifelong learning and capability to adapt to change
	Development of intermediate and higher-level skills to capitalise on or to create opportunities for high-quality or high-wage jobs
	Portability of skills
	Employability
	Ensure skills development addresses national goals
<b>Promote equal opportunities and redress</b>	Widen access to and success in post-school education and training to reflect diverse needs and constraints
	Improve social inclusion in teaching and learning in PSET
	Promote employment and livelihoods among vulnerable groups
	Promote youth development
	Widen provision of education and training to reflect diverse needs and constraints
<b>Promote sharing of responsibilities</b>	Promote collaboration
	Promote intermediaries to provide support and facilitate coordination and collaboration
	Promote shared responsibility
	Encourage the sourcing of funding from diverse sources
	Improve state capacity to fulfil objectives
<b>Promote skills as an integral part of broader policies</b>	Promote skills as an integral part of development initiatives for vulnerable groups
	Build stronger links between skills and industrial policy
	Promoting coherence between skills policy and broader national policy

With the use of qualitative data analysis software, we were able to discern patterns across goals, quantify the relative emphasis on each goal and related instruments identified in the legislation and policy texts. For example, we could assess whether there were more goals and instruments oriented to *promote high-level skills development in the formal economy*, or to focus on *increasing access to skills opportunities that will enable the unemployed to create livelihoods*.

The analysis presented below thus follows two broad avenues. The first analyses the policy system ‘world view’ as to whether the system appears to inculcate and share a broader more inclusive approach to skills development. The second aspect of the analysis looks in more detail at the policy goals and instruments recognised along the four broad principles that we have argued are important features of an inclusive skills development system that can better address poverty, inequality and unemployment. We evaluate these

goals and instruments across the skills policy system and the extent to which reaching different policy goals and objectives (or principles) are driven by particular departments and/or particular documents (legislation, policy or strategies).

## 2.3 High-level findings from the systemic review

### 2.3.1 The policy system worldview

In this section, we explore the extent to which the world view articulated through the legislation and policy texts aligns with the normative vision of a policy system that drives skills development that addresses poverty, inequality and unemployment (Figure 2). A more inclusive and less unequal skills development policy system requires, for instance, a focus on marginalised and vulnerable groups. Firstly, we analyse the ways legislation and policy texts define skills development and how it relates to poverty, inequality and unemployment. Secondly, we analyse the main target groups identified in the texts. Thirdly, we describe 'wider/expanded processes' alluded to in the documents, to show the extent to which the policy system proposes and employs processes of skills development that is broader than those mechanisms traditionally employed to skill individuals (such as non-traditional and non-formal forms, e.g. by means of RPL, open and distance learning, adult basic education and training, non-formal education and training and WPBL to reach marginalised and vulnerable groups). Lastly, we highlight 'new', different or a wider array of actors acknowledged and supported towards addressing the particular skills needs of vulnerable and marginalised groups. This may include NGOs, CBOs and informal sector business development agencies that may be able to reach social groups traditionally excluded from the formal skills development system, such as emerging and small-scale farmers, and other skills development opportunities addressing their needs, such as core skills (e.g. numeracy, literacy and basic business management skills).

We come to a sense of how the policy system understands the notion of skills development by analysing the terms that come up most frequently and evaluating how they are used. While the total number of mentions across the system might be less significant than whether more inclusive notions of skills development are portrayed, frequency of mentions can point to emphasis on particular types of skills development purposes, processes and target groups that are more reflective of a narrow or broader conception of skills development and thus the extent to which the policy system is geared to reducing poverty, inequality and unemployment.

#### 2.3.1.1 Understanding of skills development

Our review of the legislation and policy texts identified the different terms used in legislation and policy in referring to skills development. The most frequently used related terms are: *occupational* (88 references) and *qualifications* (109 references), *work* (68 references) and *employment* (45 references). This shows an emphasis on formal education and training and the formal labour market. Terms related to non-formal skills and informal sector actors are mentioned far less: *co-operatives* (9 references) and *community* (28 references) and *livelihoods* (3 references).

It is further notable for understanding the conception of skills development in the policy system that the notions of *non-formal* skills development and *adaptability* or *transferability* are mentioned only once or not present at all. The consideration of non-formal skills as part and parcel of the understanding of skills development is referred to most explicitly in the *National Policy on Community Education and Training Colleges* (2015) where the role that community colleges can play as a mechanism “for addressing formal and non-formal skills development needs for the formal and informal sector and engagement in livelihoods, as well as offering opportunities for lifelong learning to people who may be marginalised from the formal sector” is recognised. This signals the importance of the recent addition of this institutional type to the PSET system overall.

Similarly, we find some reference (3 mentions) to the role that skills should play towards *livelihoods*, in the *National Skills Development Strategy* where it is asserted that “emphasis is placed on training to enable trainees to enter the formal workforce *or create a livelihood for themselves*”, as well as in the *National Policy for Community Education and Training Colleges* where reference is made to “a *holistic approach to education and training ... that seeks to improve livelihoods*, promote inclusion into the world of work and that supports community and individual needs”. Furthermore, the DAFF (2011) *National Framework for Extension Recovery Plan, 2011* speaks to the role that extension can play in “alleviating poverty [and] improving livelihoods and a sustained environment.” Finally, the *SD Act* refers to the notion of redress in its description of/understanding of skills development, as it aims “to improve the employment prospects of persons previously disadvantaged by unfair discrimination and to redress those disadvantages through training and education”.

Conversely, the notion of poverty does not appear to be a focus construct across the policy system in the way in which the legislation and policy documents approach the purpose and role of skills development. The *National Development Plan Vision for 2030* remains one of the few documents that highlights skills development as a crucial enabling milestone towards eliminating poverty. A much more frequent and closer link is drawn between skills development and inequality (both in terms of income inequality and demographic inequities) and as we have noted before, and the role that skills can play in providing access to the formal labour market. Also when skills development is recognised/ defined as something that plays a role in poverty, it is often portrayed as a very simple link between skills and the reduction of poverty. However, Thin (2004) in King & Palmer (2007) alerts us to the fact that the link between poverty and skills development is not simplistic and distinguishes that while skills development does not usually play a role in directly alleviating poverty, it tends to play a role in long-term poverty reduction and prevention in that skills can enable individuals to avoid falling into and reduce vulnerability to poverty.



### 2.3.1.2 Specific target groups for skills development

A wider notion of skills development explicitly targets a wider set of societal groups, especially vulnerable groups, including *young people who have completed their formal schooling, school drop-outs, and NEETS, workers in the informal economy, adult workers and work seekers, women, people with disabilities, rural communities, previously disadvantaged groups including black and/or African persons*, for example. The analysis illustrates that there is a strong emphasis on youth (74 references) and women (45), and expectedly so, learners (53) and students (51) in the present policy system.

The identification of youth as a target group occurs across a range of documents and departments (for example, the *National Education and Training Strategy for Agriculture and Rural Development in South Africa*, the *Employment Services Act, Framework for Cooperation in the Provision of Career Development, National Policy for the Implementation for the Recognition of Prior Learning, Agricultural Training Institutes Bursary Policy*, the *FET Colleges Turnaround Strategy, National Policy on Community Education and Training colleges*, the *White Paper on Public Works*, the *Co-operatives Act* and the *National Youth Policy*, to mention but a few). Closer analysis focusing on how the term 'youth' is referred to most, reveals that more expanded notions of skilling are 'being recognised' with reference to 'business incubation', mainly through the *Youth Enterprise Development Strategy (2013-2023)* and the *Integrated Strategy on the Promotion of Entrepreneurship and Small Enterprises*, establishing an 'entrepreneurship data system and research' (as alluded to in the *Youth Enterprise Development Strategy*), and 'mentorship' (as noted, e.g. in the *Integrated Strategy on the Development and Promotion of Cooperatives*, and the *White Paper on Public Works*). Further exploration shows that the references to youth not in education emerge mainly from two documents, the *Framework for Cooperation in the Provision of Career Development Services in South Africa* of 2012 (8 references) and the *National Policy on Community Education and Training Colleges* (1 reference). The analysis thus points out two ways in which the development needs of this group is addressed in policy: through improving the provision of career development services and through offering more flexible skills programmes through community colleges.

South Africa is faced with a growing proportion of youth falling into the NEET category. As noted by DHET (2016), "it is generally acknowledged, both in South Africa and abroad, that NEETs constitute one of the greatest threats to the stability of society". Youth not in education, training or employment (NEETs) are a vulnerable and critical group in society that needs to be more effectively targeted for skills to reach them; hence a more explicit recognition of youth as a critical group for skills legislation to target is important (consider Recommendation 3 here).

Black persons/Blacks and Africans (50 mentions) and previously disadvantaged groups (5 mentions) continue to be identified as target groups across the skills policy system. However, the recognition of these target groups is not focused and very often their mention just appears customary. Conversely, while adults (24) do not receive as much emphasis as a target group, there is much more specific reference to a wide range

of adult groups: *unemployed adults, adults in work, returning to learning youth and adults, adolescents who are already out of school and adults, and adults outside of the formal economy and workplace, etc.*, and these references are made across a wide range of skills subsystem documents, such as the *WP-PSET, Draft National Artisan Development Trade Test Pass Rate and Quality Improvement Strategy, National Policy on Community Education and Training Colleges, the Policy for the General and Further Education and Training Quali cations, the HRD Strategy, the National Policy for the Implementation of the Recognition of Prior Learning, the National Skills Development Strategy III*, and so forth. Therefore, adults are recognised as a special target group in key documents that o er alternative routes to formal education and training, second-chance matric, and a way to redress the past. Community colleges are DHET's main providers o ering skills training for this group, as well as reaching low-skilled individuals in rural areas, and o ering non-formal skills.

There is also some mention and identi cation of rural persons/people (26), rural communities, rural people for the development of rural areas, agricultural and rural role players. Frequently women are singled out in references to rural communities/groups, as well as rural youth (e.g. in the *National Skills Development Strategy, the National Education and Training Strategy for Agriculture and Rural Development in South Africa, the Framework for Cooperation in the Provision of Career Development, the National Integrated HRD Plan, the National Framework for Extension Recovery Plan, the Industrial Policy Action Plan, the Youth Enterprise Development Strategy* and the *National Youth Policy*, for instance). Furthermore, people with disabilities (12 references) are occasionally identi ed as a target group, but mostly in conjunction with a range of other groups, only very seldom as the focus target group, as for instance in the *WP-PSET* where the important commitment is made that "DHET will develop a strategic policy framework to guide the improvement of access to and success in post-school education and training for people with disabilities".

Learners and students are of course the key target groups of the system; and reference to certain vulnerable groups such as people with disabilities, women, Black persons and/or Africans appear almost always together with terms like learners and students. However, if the policy system seeks to directly address poverty, inequality and unemployment, then it should include in its de nitions of target groups *speci cally* those that have been marginalised from the system or are struggling to access the formal system: youth not in education, employment or training, poor Black rural and township communities, rural African women, and so forth, which can then be more expressly targeted as vulnerable groups, and targeted policy mechanisms can be designed to reach them and provide them speci cally with access to skills development (refer here to Recommendations 2 and 3).

### 2.3.1.3 More inclusive processes of skills development

The skills development policy system recognises more inclusive processes for skilling, for example through mechanisms such as distance education, open learning, non-formal learning, foundational learning, learnerships and apprenticeship and also extension services. While distance education and apprenticeships

are rather traditional forms of skilling in South Africa, they are processes used for redress and for reaching social groups that are not able to access other traditional forms of skilling. Learnerships are promoted across a range of documents of policy and legislation, especially core legislation in the PSET system, especially the *CET Act*, other continuing education and training policy documents, and the *SD Act*. Apprenticeship (58 mentions) is noted in the following legislation: *SD Act* and then through a range of policy, of which the *Draft Artisan Development Trade Test Pass Rate and Quality Improvement Strategy (2015)* is paramount, followed by the *HRD Draft Strategy* and *IPAP*). It thus appears that the notions of apprenticeships and learnerships are well recognised as processes through which skilling can be supported. However, with the new WPBL policy framework waiting to be ratified and WPBL receiving a lot of policy focus (Blom, 2016), this raises the question of whether internships should not also receive a greater legislative focus. Internships are recognised as a critical mechanism to help school leavers' and graduates' transition into the workplace, improve employability, but different from apprenticeships and learnerships, internships are not regulated (refer here to Recommendation 11).

Extension is also an interesting process mentioned, referring to agricultural extension and the transformative efforts in the South African farming sector to facilitate the inclusion of previously disadvantaged communities in agricultural training and employment. Koch and Terblanché (2013) argue that "the first 69 years of agricultural extension saw the establishment of a diversity of compartmentalized services: to the commercial (white) sector and to the black, Indian and Coloured communities ... and in the post-apartheid era [they argue that] this process is still faced with issues of effective service delivery and professionalism". Thus, the training of extension officers is a key gap that impacts on the potential of this process as a tool for inclusion, as also noted in the *National Framework for Extension Recovery Plan (2011)*. As agricultural colleges are being incorporated into the DHET mandate, DHET needs to engage critically with how they can support this function to capitalise on the potential, not only to reach vulnerable farming communities, but also the extended geographical reach that such a service presents for skills development (consider Recommendation 6 here).

Furthermore, the strengthening of career guidance capacity can also be seen as a wider/expanded process. This has not been an area in which the South African skills development system has been well capacitated, and it has been identified as a critical focus area that needs development (DHET, 2015b). Closer analysis shows that the role of career guidance is recognised not only in the traditional placement services process, but linked to improving work placement, vertical and horizontal articulation, enhancement of progression opportunities and further learning. The *CET Act (2006)* and the *National Youth Development Agency Act (2008)* are the only two pieces of legislation that explicitly speaks to the notion of career guidance as a process that needs to be strengthened; the other references (41 mentions) come from policy and strategy documents. Improving career guidance capabilities is critical for a clearer alignment between the skills and labour market, but surely it needs to be emphasised across and between all PSET subsystems? Our analysis shows that for example, DSBD, through its youth enterprise development strategy, sets up a youth entrepreneurship data

system and research programme (YEDSRP) aimed to support youth entrepreneurship – this could be an area for alignment with DHET’s career development services to strengthen support to youth to gain access to the labour market.

Finally, Recognition of Prior Learning (RPL) emerges in the analysis as a core process to enable inclusion (279 mentions across the system) because it seeks to enable and facilitate entry to, and progression through, the formal system for those who may not have requisite formal qualifications, thereby widening access to skills development. Reference to this process is mostly driven through DHET policy and legislation, with a few other documents outside of DHET as well, such as the *National Integrated HRD Plan (2014)* and the *Agricultural Training Institutes Admission Policy (2012)*.

In 2013, indications were that between 2011 and 2013 the following achievements were made in terms of RPL. At that point it had been implemented by over 253 providers, assistance had been provided to over 20 organisational RPL initiatives, initiatives put in place with potential to reach 200,000 individuals, 22 of 23 HEIs implementing RPL, RPL well recognised across industry sectors, NAMB championing RPL (seven steps towards becoming an artisan, including RPL) with estimated numbers of 51,000+ having benefited through this process (Naude, 2013). It is clear that there is good recognition across the system of RPL as a process for inclusion, and that there has been some progress. A key achievement to better support the implementation of RPL has been the *National Policy for the Implementation of the Recognition of Prior Learning (2013)* setting out guidelines for resourcing of RPL, effective delivery, quality assurance and the rights and responsibilities of relevant stakeholders.

#### **2.3.1.4 Different actors to more inclusively provide skills development**

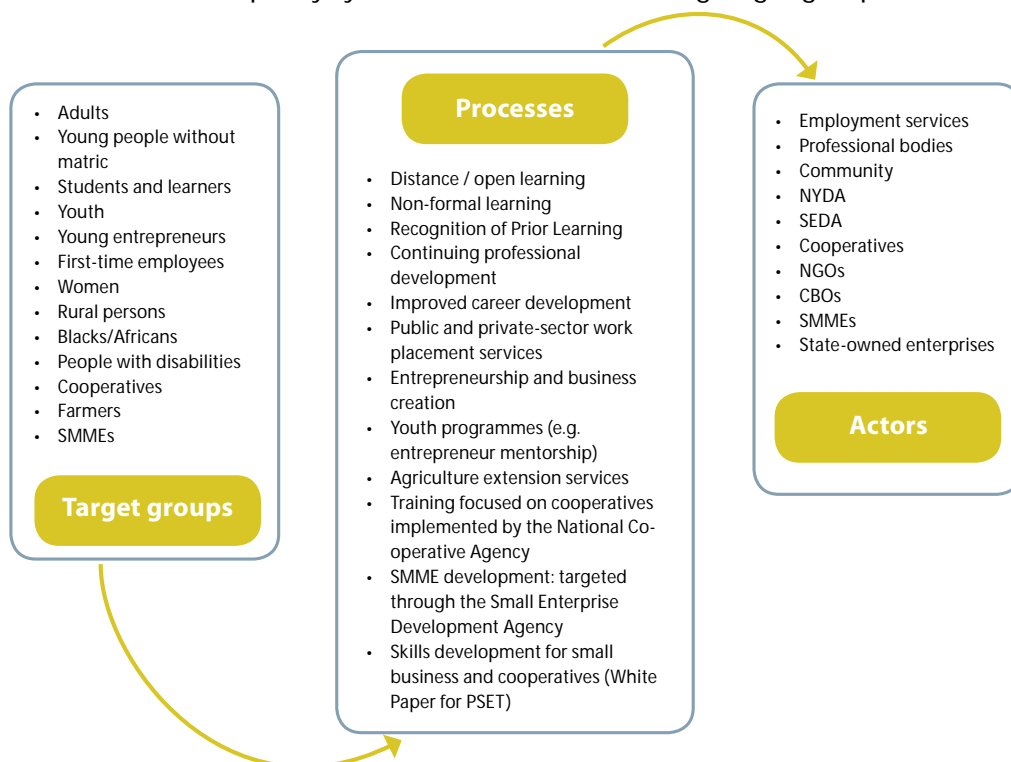
When we explore the extent to which NGOs, CBOs, and other non-traditional actors are included in or receive support in providing skills development, we find that the legislation and policy documents emphasise mainly the role of communities and CBOs (19 references). For our purposes, it is significant that cooperatives are also referred to quite frequently across the system. The *NSDS*, for example, asserts that “partnership and collective responsibility between stakeholders - government, business organisations, trade unions, constituency bodies - and our delivery agents - SETAs, public bodies, employers, trade and professional bodies, public and private training providers, CBO, cooperatives and NGOs - is critical to achieving our aspirations of higher economic growth and development, higher productivity and a skilled and capable workforce to support a skills revolution in our country”.

Co-operatives have the potential to play a substantial role in facilitating skills and employment opportunities in rural areas and the term is used in relation to a range of different purposes (employment, skilling, facilitating livelihoods, as well as supporting youth to gain skills and employment). Here Philip’s (2003: 2) distinction between worker and user co-ops is relevant in that she argues, given the South African context,

more focus should be on user rather than worker co-ops as the economic co-operation characteristic of the former are “better able to mobilize wide participation, and can reduce costs, enhance incomes, and improve the viability of business activities, across the spectrum of formal and informal enterprise activities, and thus they [have] significant potential to contribute to the reduction of poverty, to empowerment, to job creation and to enhanced forms of social mobilization”. There is relatively much smaller emphasis on small and medium businesses. Small, Medium and Micro-sized Enterprises (SMMEs) are an important focus for promoting employment amongst youth and the term is used mostly in conjunction and reference to youth, entrepreneurship and business incubation and support programmes for the development of business skills.

There is also some mention of state-owned enterprises (12 references) and the role they can play as employers and skills development partners in providing placement opportunities for TVET and university graduates, but this is only in five documents setting out national goals: e.g. the *New Growth Path Accords 1* (2011) and *6* (2013) from EDD, and the *National Development Plan* and the *National Youth Policy of the Presidency*. The *New Growth Path Accord 6* asserts that “state-owned enterprises will develop placement opportunities for FET and university students who need work experience as part of completing their studies.”, whereas the *New Growth Path Accord 1* indicates that “government commits to ensuring that state-owned enterprises have training beyond their own needs as an explicit mandate”. Since these are key policy texts setting out national goals, we would expect that the key policy texts of other departments would prioritise this. We will explore this further in our analysis of policy goals and instruments later. Again, with the scarcity of workplace placement having been identified as a critical blockage in the qualification and appropriate preparation for many TVET programmes, more explicit identification in legislation to better facilitate WBPL may be required (refer to Recommendation 11).

**Figure 4:** A more inclusive skills policy system worldview: connecting target groups, actors and processes



### 2.3.1.5 Conceptualising more inclusive skills development, target groups, processes, actors

The target groups, types of actors/stakeholders and skills development processes identified through the analysis, are summarised in Figure 4 above. Looking at the findings across these dimensions, we find that the skills policy system overall is aligned to inculcate a wider notion of inclusion through skills development in recognising a wider array of target groups, skills development processes, actors and stakeholders, even if there is a tendency to emphasise the traditional formal routes to skilling and its purpose as leading to employment in the formal labour market.

The analysis also shows that the policy emphasis towards specific target groups is championed more by some departments than others: youth (Presidency and the Dti), cooperatives (DSBD), small business (Dti and Presidency), entrepreneurship (Dti and DSBD); whereas DHET can be credited primarily for trying to move towards a more inclusive formal system through its policy focus on learners and students in general, as well as a some focus on adults, communities and processes such as recognition of prior learning and the notion of foundational learning. Here particularly the establishment of the Foundational Learning Competence part-qualification is significant as it is a further symbol of the recognition and acceptance of the role of PSET towards addressing the systemic blockages/failures across our entire education and training system. This aligns with a more inclusive, less fragmented approach and commitment to skills development.

However, DHET legislation and policy tends to focus on formal routes to skilling including formal WPBL opportunities (learnerships and apprenticeships), RPL, and alternative routes to obtaining matric and other programmes offered through its newly established community colleges. Community colleges are expected to offer non-formal programmes where needed, but DHET's policy has not given much attention to show how the colleges will do this. DHET has also recently (2012) prioritised improving career development services at colleges and universities. The provision of more 'inclusive' processes related to entrepreneurship and supporting livelihood opportunities, particularly for youth development, seems to be driven by other departments, the DSBD and the DPW. While the DoL and Dti may be important partners for DHET to consider in improving WPBL, particularly in priority sectors and in improving employment outcomes. Another potential gap with regard to WPBL is the lack of attention given to promoting WPBL through legislation, such as incentivising placement in state-owned enterprises (SOEs) (refer to Recommendations 6 and 11).

### 2.3.2 Policy goals and instruments that address the triple challenge

To what extent are principles for an inclusive skills development policy system articulated in the departments' policy goals and taken forward in their policy instruments? Is there alignment between policy goals and instruments to address poverty, inequality and unemployment? As we have argued earlier, we conceptualise that for a skills development system to better address these challenges it will need to focus on the following principles:

- improving responsiveness and relevance of skills
- promoting the sharing of responsibilities for the development of skills
- facilitating/promoting the development of skills as an integral part of broader policies, and
- ensuring equal opportunities (and redress) to access and success in skills development.

The analysis presented here draws on the data on policy goals and instruments generated for this project. Both the goals and instruments identified were coded and grouped according to the main principle they seek to address.

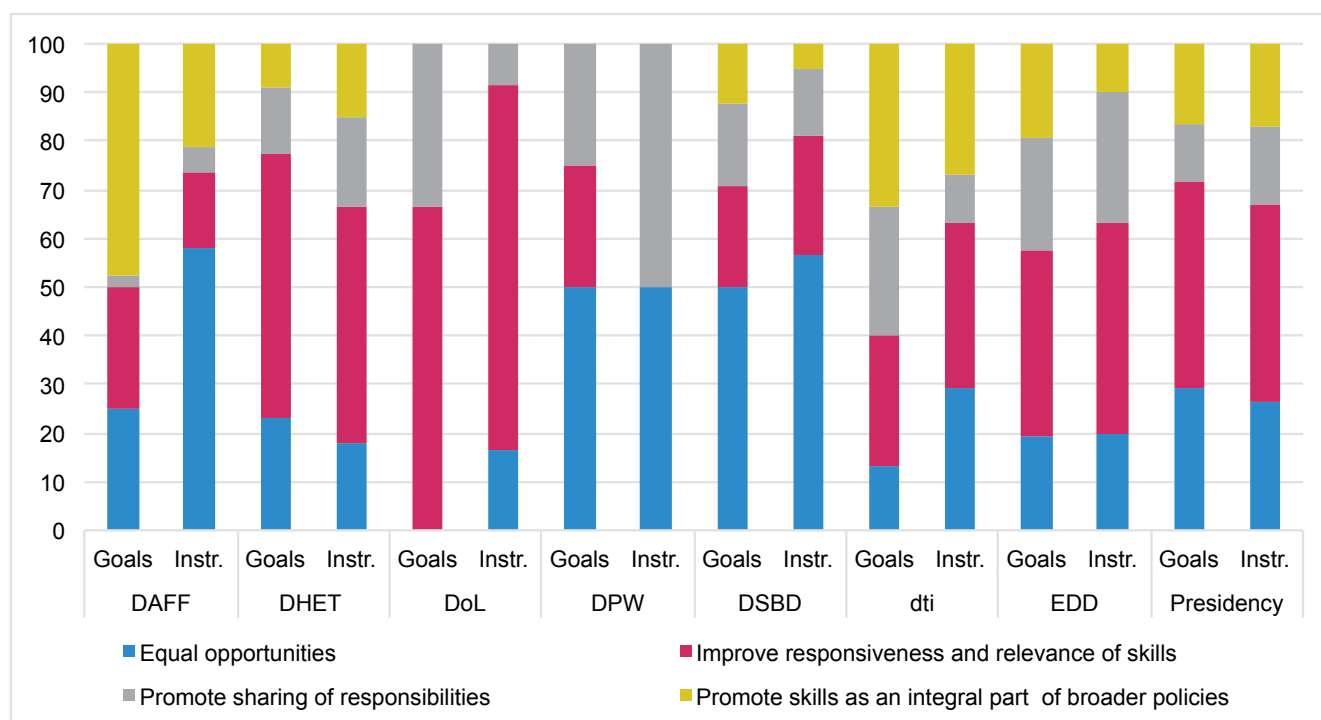
The analysis shows that the majority of the policy goals are aimed towards improving the responsiveness and relevance of skills (409 policy goals), followed by policy goals focused on fostering equal opportunities to skilling (155), promoting sharing of responsibilities for skills development (82), with the minority of policy goals aimed at promoting skills as an integral part of broader national and sectoral policies (73) (see Figure 5 below).

In addition to considering the emphasis of policy goals, it is also important to consider whether there are policy instruments for reaching them. In other words, while policy goals offer a good indication of *intention*, instruments provide *concrete mechanisms* to reach intended policy goals.

Figure 5 below illustrates the extent of alignment between the policy goals and instruments, and the four principles by department. The figure shows that the biggest proportion of goals and instruments across the skills policy system is aimed at improving the responsiveness and relevance of skills. The DHET policy goals and instruments focus on the same principle, i.e. improving responsiveness and relevance of skills, whereas the departments mandated to promote inclusive economic development, the DPW and DSBD, play a bigger role in promoting equal opportunities to skills and employment through their policy instruments. It is also notable that the largest policy instrument focus on fostering equal opportunities to skills is evident in the DAFF.

These findings show a potential weakness in the DHET's legislation and policy. It is clear that DSBD and DPW have extensive focus towards fostering equal opportunities to skills development in both the recognised policy goals and instruments, and thus the findings also point to a potential 'policy collaboratory' (Foster & Heeks, 2015), or collaborative arrangement that could involve DHET, DPW and DSBD towards facilitating skills development opportunities across all segments of society, reflecting their diverse needs, and constraints and removing barriers to access.

**Figure 5:** Alignment between policy goals and instruments, and principles, by department



**Note:** The figure reflects relative proportion of policy goals coded and policy instruments identified through the systemic review of legislation and policy. The number of documents from each department is different, with DHET having the most number of documents.

The first aspect to consider from this analysis is whether the current skills policy system's emphasis is acceptable given the nature of the South African skills challenge and high levels of unemployment, poverty and inequality. As the distribution of policy instrument focus towards achieving the four policy principles is broadly in line with what we found for the policy goals, in the following sections we present the average coding references across the goals and instruments per principle, to highlight the core emphases across the policy system. We discuss each of the four principles in more detail, starting with the objective of improving the responsiveness and relevance of skills.

### 2.3.2.1 Improving the responsiveness and relevance of skills

In relation to the principle of improving the responsiveness and relevance of skills, the following goals and instruments could be identified in legislation and policy texts: (1) those that aim to create continuous pathways of learning through PSET and into the workplace, further learning or learning new skills. In other words, policy goals recognised towards facilitating progression and articulation through the PSET system; (2) those that aim towards the development of core skills (including literacy, numeracy, communication skills, teamwork and problem-solving and other relevant skills). The types of skills that are critical building blocks for further development and overall learning ability, as well as the ability to adapt to change, and; (3) those that aim to develop intermediate and higher-level skills (professional, technical and human resource skills to capitalise on or to create opportunities for high-quality or high-wage jobs). (4) A set of goals and instruments also aim at facilitating the portability of skills. This has two aspects – ensuring the development of core skills referred to before, but also ensuring systems that codify, standardise, assess and certify skills



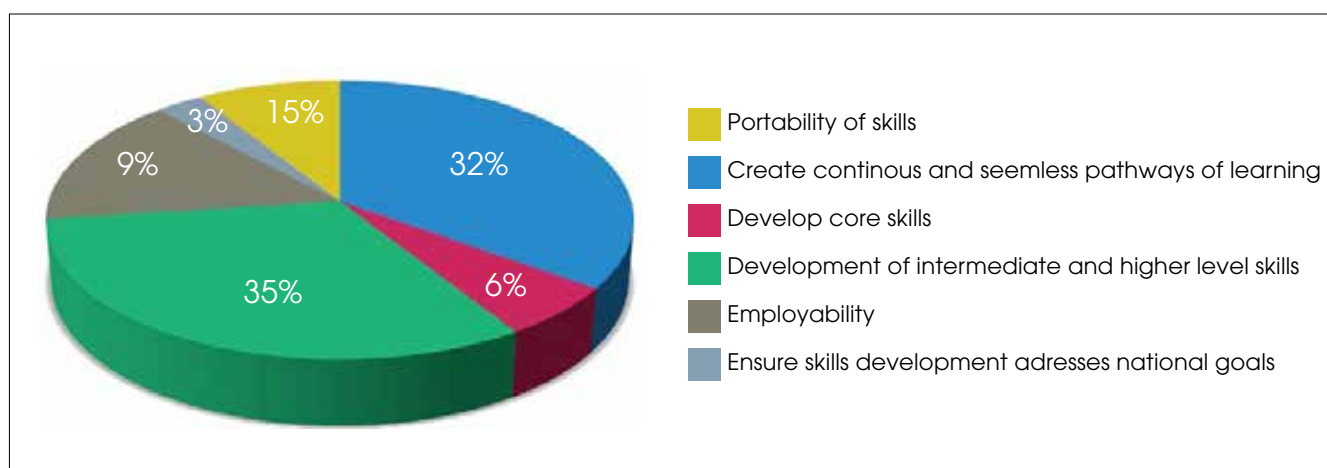
for easy recognition by social partners and different labour market sectors. (5) We identified goals that aim to facilitate employability (for wage work or self-employment).

Investigating how policy goals and instruments facilitate a skills development system that is responsive and relevant to both labour market and societal needs and constraints we found the following:

In the South African context, legislation and policy aimed to achieve this objective through goals and instruments focused on creating continuous and seamless pathways of learning and developing intermediate and high-level skills. Meanwhile, the minority of goals and instruments were aimed at ensuring skills development addresses national goals, developing core skills and employability. Under the goal of creating continuous and seamless pathways of learning the biggest policy and instrument emphasis was towards promoting articulation and progression for lifelong learning and providing career development support, with a small emphasis on supporting entrepreneurs to upgrade their competencies and learn new skills. Finding this small focus on building entrepreneurial skills as a potential seamless pathway into aligning supply and demand is particularly notable if we refer back to some of the insights in the policy worldview analysis, which suggested that youth and particularly youth entrepreneurship is a big focus across the system.

When we look at the other big policy goal and instrument focus, the development of intermediate and high-level skills, we find that the majority of emphasis here derives from policy efforts towards building TVET college capacity through mechanisms such as a governance performance assessment framework, college strategic plans, a standardised charter for anti-corruption and standardised financial policies, structures and processes, for example. Improving access to and success in TVET also forms a notable focus through mechanisms such as a generic trade preparation programme (GTPP) and the QCTO for example. The focus on supporting artisans and improving the capacity of TVET colleges is notable. Here, the *Draft National*

**Figure 6:** Proportional distribution of policy goals and instruments coded under the principle of improving responsiveness and relevance of skills



*Artisan Development Trade Test Pass Rate and Quality Improvement Strategy* (30) and the *Further Education and Training Colleges Draft Turnaround Strategy* (31) feature as prominent documents, as well as the *CET Act* (12), *HE Act* (12) and the *Presidency's Medium Term Strategic Framework (MTSF) 2014-2019* (18) which indicates the national policy importance placed on developing intermediate and higher-level skills. A much smaller focus here is on improving funding for students, STEM skills at higher levels (through change subsidy formula for universities, increasing enrolment in STEM teacher training and shifts in the balance of enrolment for instance) and improving access to Information and Communications Technology (ICTs) for educational purposes, supported through mechanisms to expand ICT infrastructure and an ICT Plan.

A concern arises from the analysis of sub-goals and related instruments, where it emerges that there is more emphasis is on *improving* the structures and institutions for skills provisioning as against those that relate to *actual* skills production (consider in this regard Recommendation 4). For example, more emphasis is on the promotion of intermediaries to provide support and facilitate co-ordination rather than improving capacity to provide skills. More emphasis is on promoting articulation and progression for lifelong learning through instruments such as the NQF, RPL mechanisms and the improvement of standardisation of artisanal assessment, as opposed to supporting the provision of quality basic education (mainly by aiming to increase teacher graduates). We will elaborate on this further in the case studies below.

Predominant ways in which the policy system prioritises skills provisioning can be seen in DHET's emphasis on improving the portability of skills, articulation and progression, particularly through the RPL system and articulation through the NQF, as well as the emphasis on creating a differentiated PSET system. The pieces of DHET legislation and policy that feature prominently here thus include those promoting the improvement of the overall system – the *SD Act*, *WP-PSET* (2013) and the *National Skills Development Strategy III* – and those focusing on implementing the NQF – the *Draft National Artisan Development Trade Test Pass Rate and Quality Improvement Strategy* (2015), *National Policy for the Implementation for the Recognition of Prior Learning*, *Occupational Qualifications Sub-Framework (OQSF) Policy* and the *Higher Education Qualifications Sub-Framework* (2013). Also relevant is the DAFF's efforts at creating articulation and progression through the agricultural skills development system. Other key priorities identified are the establishment of a labour market intelligence system, including a credible skills planning mechanism and databases on scarce skills, for example, and improving career development services, particularly for youth who are not in employment. The latter is prioritised in the DHET's *Framework for Cooperation in the Provision of Career Development (Information, Advice and Guidance) Services in South Africa* (2012), and the Presidency's *National Youth Policy 2015–2020* and *Medium Term Strategic Framework (MTSF) 2014-2019*.

While the emphasis on establishing and improving the structures and institutions for managing the skills development system can be seen as a strength of the system, a concern is that considerably less attention is given to 'developing core skills' (consider Recommendations 4 and 5). We identified over 100 policy

instruments (produced in 22 documents) promote high-level skills as opposed to 25 policy instruments (15 documents) promoting the development of core skills. This finding suggests that considerable resources may be going to creating an 'elitist' system, placing considerably less emphasis on addressing the skills needs of the majority of the unemployed. The development of core skills is promoted mainly through DHET's *Foundational Learning Competence Framework (2015)*, *National Policy on Community Education and Training Colleges (2015)*, *Policy for the National Senior Certificate for Adults (2014)*, *General Education and Training Certificate for Adults (2013)* and *Umalusi Policy for Credit Accumulation, Exemption, Recognition and Transfer*. Other policy documents that prioritise core skills include the DSBD's *Integrated Strategy on the Promotion of Entrepreneurship and Small Enterprises (2005)* and Dti's *National Industrial Policy Framework (2007)*. This finding confirms the importance of alignment between DHET and DSBD in addressing the skills needs of informal sector actors shown in the analysis of target groups, processes and actors in the previous section (refer to Recommendation 6).

Another concern is the lack of policy emphasis on promoting employability. This is mainly achieved through the DHET's emphasis on improving access to quality career development services and the DoL's employment services. Although the latter has been formally separated from the PSET coordination, employability could be improved through better alignment between the career development services and employment services and this ought to be reflected in the policy system.

With regard to the extent to which national goals are addressed, we found that this is achieved through driving skills development through the public system (by DHET), removing barriers to in-migration in order to address skills shortages in priority sectors in the short term, and explicitly aligning skills development policy goals with national goals communicated in the National Development Plan and Medium-Term Strategic Framework, for example.

It can also be argued that promoting equal opportunities to skilling is a very critical skills policy system objective that should receive more focus. Given our political history it is important to ensure access and success in gaining skills across the South African population (proportionately this objective constitutes 22% as opposed to the objective of improving responsiveness and relevance to skills, which captures 57% of skills policy system emphasis). We consider a more disaggregated view of the emphasis of goals and instruments under this objective next.

### **2.3.2.2 Promoting equal opportunities**

With reference to this principle we find the emphasis of policy goals and instruments is towards improving equity in access to PSET (through mechanisms such as the *Policy Framework for the Realisation of Social Inclusion in the Post-School Education and Training System (2016)*, the *National Higher Education Information and Application Service* and the *RPL system*, for instance) and broadening financial assistance to the needy

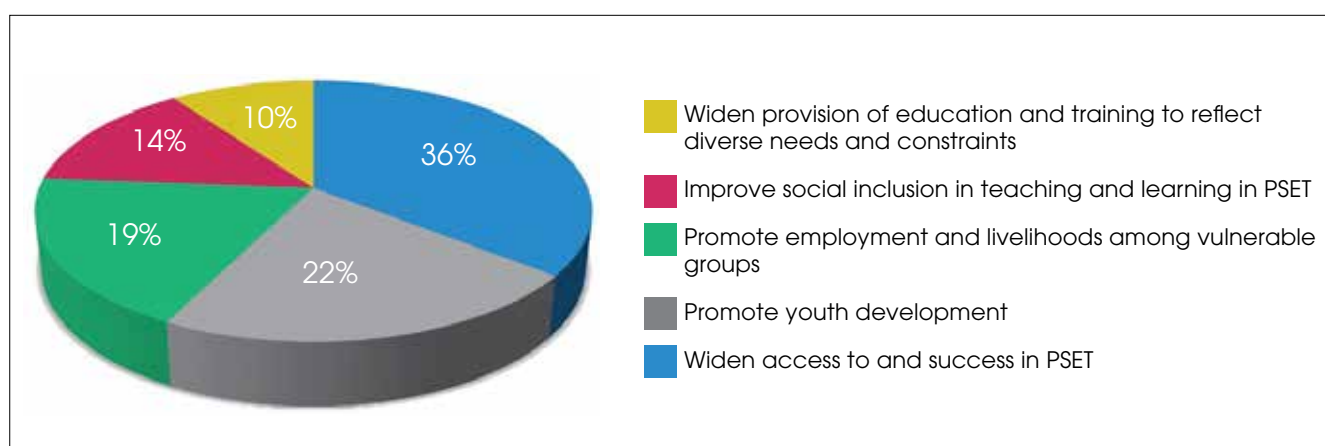


(mainly through the *National Student Financial Aid Scheme* (NSFAS). There is a negligible focus on improving equity in access to career development services and poor focus on improving PSET provisioning in under-served areas and for people with disabilities. The community ET colleges and community learning centres (CLCs) are recognised as critical instruments to facilitate access in under-served areas.

The minority of policy goals recognised under this objective, attempts to *widen provision of education and training to reflect the diverse needs and constraints of marginalised target groups* (see figure below). Here mainly the goals and instruments aim to support NGO and community training initiatives through community work programmes and computer centres for learners and communities. There is also an aim to improve extension services and support skills development institutes. A possible gap under this objective is a small focus on promoting equal opportunities for youth development (20%). Here the biggest focus appears to be on promoting youth capacity building, but limited focus on the funding required for such development.

To address poverty, inequality and unemployment, skills development policy system goals and instruments are required to speak to the needs of vulnerable groups better. Could there be a role for legislation to steer a bigger emphasis of policy goals and instruments towards these target groups to ensure that opportunities to skills are more equitably spread?

**Figure 7:** Proportional distribution of policy goals and instruments coded under the principle of equal opportunities



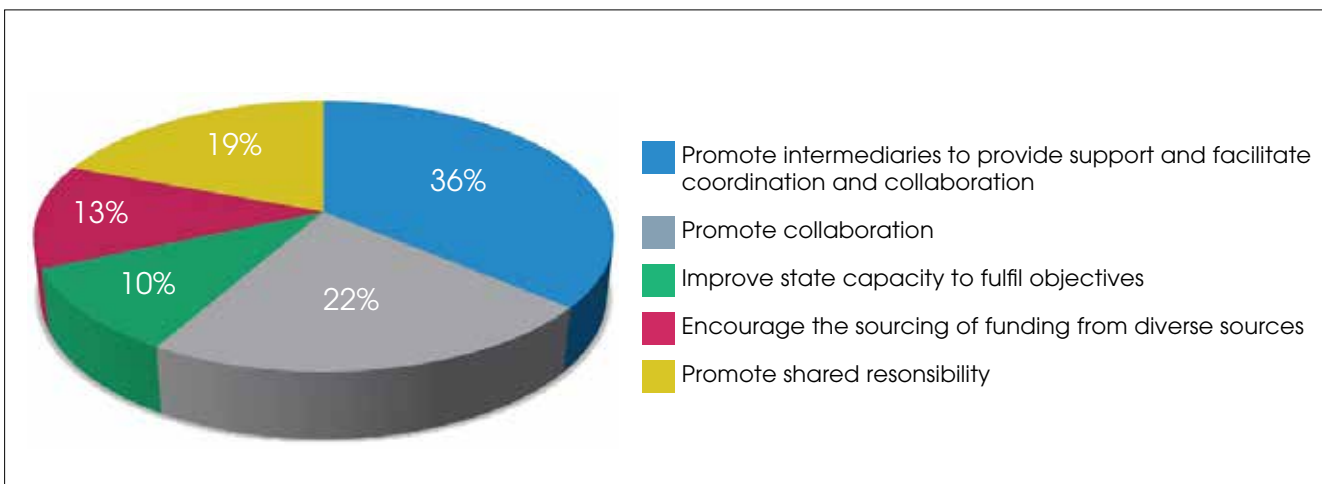
Considering the documents that recognise policy goals in alignment with this principle, we find that while equal opportunities is a clear policy intent for most legislation, for the *CET Act*, the *SDL Act* and the *NQF Act*, this is not supported by an explicit recognition of commensurate goals and instruments to achieve this objective. What the analysis highlights is that while the principle of equal opportunities is recognised in these Acts, the supporting policy goals and instruments to achieve it are not present. Given the challenges of poverty, inequality and unemployment, we could argue that there is room to legislatively outline and strengthen the emphasis of key skills policy system goals towards achieving the principle of equal opportunities (and redress) (refer here to Recommendations 2 and 3).

### 2.3.2.3 Promoting sharing of responsibilities

As we have argued, to achieve an inclusive and relevant skills development system that addresses poverty, inequality and unemployment, the responsibility for skills development has to be spread across a range of departments, economic development policy at least, and social partners such as business, education and training institutions, NGOs and so on. While DHET has to be the coordinator and driver, no single department can achieve this goal alone. Therefore, coherence and coordination and strategies to share responsibility are important. Through the systemic review of legislation and policy, we identified two key ways in which the policy system aims to facilitate active engagement among the diverse set of stakeholders and partners in skills development:

- Firstly, by improving capacity for effective coordination through intermediaries (such as the SETAs) (36% of the focus under this principle), and
- Secondly, by directly promoting collaboration in the production of skills (22% of the focus).

**Figure 8:** Proportional distribution of policy goals and instruments coded under the principle of promoting sharing of responsibilities



In order to improve capacity for effective coordination, several intermediary organisations have been established and receive policy support, such as the SETAs, the Council on Higher Education (CHE) and SAQA (or are in the process of being established such as the South African Institute for Vocational and Continuing Education and Training/SAIVCET), which aim at strengthening aspects of the skills systems, collaboration between education and training providers and stakeholders, and collaboration for improving the implementation of the NOF, respectively. The majority of policy goals aim at strengthening the sectoral skills system, mainly through instruments such as SETAs and their skills plans. A smaller proportion of instruments are facilitating coordination and collaboration towards strengthening the production of skills at the national and provincial levels.

Collaboration is promoted mainly through a focus on the relations between business, institutions of learning and government. This is also where a big proportion of instruments are found: for example, the cluster development programme, college-employer-SETA engagement forums, SETA offices in TVET colleges and the technology stations programme. Collaboration towards improving access to ICTs to support education (although only supported by the ICT plan as an active instrument), as well as supporting youth development (mainly through instruments such as the National Development Agency and the National Youth Service Programme) are also notable points of focus here.

Directly promoting the sharing of responsibility for skills development seems to be achieved mainly through encouraging business and public services, including SOEs, to provide WPBL opportunities and share in the responsibility for funding skills development. The *National Public Works Programme* (NPWP) is a key policy instrument of the DPW, and the *Skills Levy* is another critical policy instrument supporting this goal. While the focus tends to be on private and public sector actors, the DHET's *National Policy on Community Education and Training Colleges* (2015) promotes engagement with a range of community-based actors including "close partnerships with local communities, including local government, civil society organisations, employers' and workers' organisations and alignment of programmes with their needs"; "partnerships with government's community development projects"; "local community participation in governance"; and "collaboration and articulation with other sections of the post-school system". The limited number of policy instruments encouraging the involvement of community-based actors in skills provision, particularly for reaching marginalised and vulnerable groups, is a potential gap.

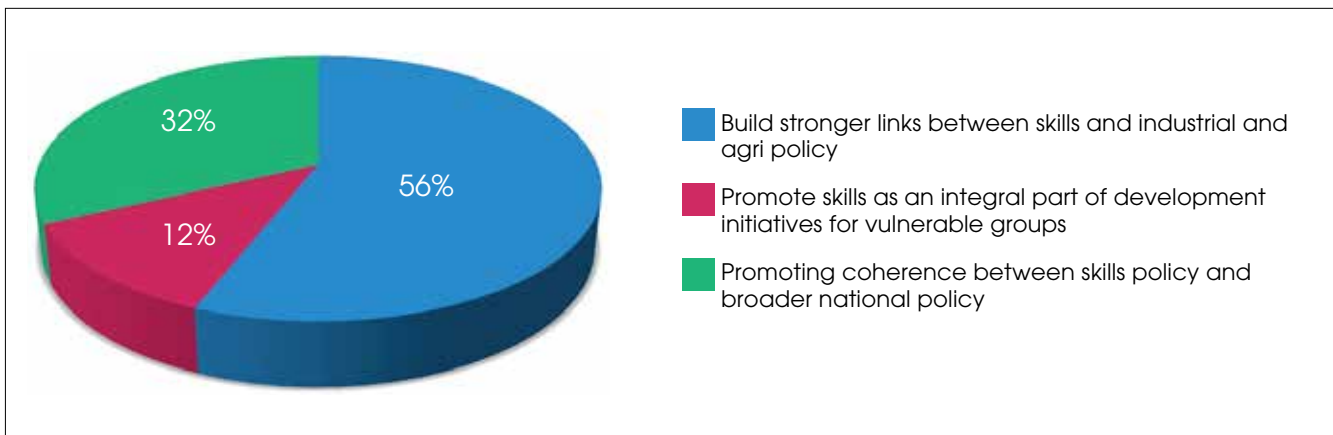
Overall, the core regulatory framework for skills development recognises instruments towards achieving goals aligned with this principle, except for the *NSFAS Act* which does not appear to do so. Given the fact that NSFAS aims to be sustainable by improving repayment of loans and also seeks more varied funding mechanisms, this could be an area for legislative change (consider Recommendation 10 here).

#### 2.3.2.4 Promoting skills as an integral part of broader policies

Finally, another way in which the overall policy system can improve coordination and coherence to effectively link skills development with the reduction of poverty, unemployment and inequality is to promote the inclusion of skills as an integral part of broader policies. This principle of inclusive skills development policy only received 10% of the overall focus, which speaks to an area that could benefit from more legislative support. We found that the key ways in which the policy system aims to achieve this goal is through ensuring that skills development policy is aligned with broader policy that sets out national development goals such as the *National Development Plan*, the *New Growth Path* and industrial policy, mainly through the Dti's *IPAP* and *National Industrial Framework*.

As shown in Figure 9, a potential gap is the scarcity of policy attention given to the *promotion of skills as an integral part of development initiatives for marginalised and vulnerable groups*. As a starting point we already know that the smallest focus of the policy system is on this principle. Looking closer at the documents from which the recognition of instruments towards achieving this principle derives further confirms that instruments towards *promoting skills as an integral part of broader policies*, is not a legislative focus in DHET, with only the *SD Act* setting out an instrument towards achieving this goal. However, this is a goal recognised in the *Co-operatives Act (2005)* and *National Youth Development Agency Act (2008)*.

**Figure 9:** Proportional distribution of policy goals and instruments coded under the principle of promoting skills as an integral part of broader policies



This is a potentially critical policy principle and underlying set of policy goals (particularly the goal of promoting coherence between skills policy and broader national policy) that could receive much more legislative focus in efforts towards better addressing poverty, inequality and unemployment in a more coherent manner. Here the potential spaces for alignment between the EE and SD Acts are prime examples, where the slow rate of change in key indicators of employment equity (poor representation of women and blacks in some occupations), as well as the lack of diversifying at top levels, has been argued as resulting from employment equity policies and initiatives being largely delinked from supply side/skills development interventions (Bezuidenhout et al., 2008). Where there are legislative linkages these are not very strong. The most explicit link in the EE Act, to impacting on training, appears under section 42 which deals with the assessment of compliance – where it states that “... the director general ... may take ... into account ... b) reasonable steps taken by a designated employer to train suitably qualified people from the designated groups ...”. Conversely, in the SD Act the most relevant reference to employment equity is in the definition of the ‘placement’ of a person into work or learning, where it is stated that the aims of employment equity need to be incorporated in this placement decision.

This raises the following questions; how can a more effective link be facilitated between ensuring employment equity and establishing the requisite skills pipeline, and secondly, would this require change in the EE and/or a refocused and renamed SD Act, or merely the cross-referencing of instruments in each?

For example, could the employment equity plan be more explicitly linked to the workplace skills plan (WPSP) and/or annual training reports (ATRs) of a company so that the assessment of EE compliance does not only consider “reasonable steps taken by a designated employer to train suitably qualified people from designated groups”, but that it actually requires significant progress towards skilling proposed in WPSP? Or could evidence of the provision of skills development that aligns with the employment equity gaps in the company not be incentivised? This would be similar to how the Broad-Based Black Economic Empowerment (BBBEE) Act has been better aligned to support and incentivise skills development in recent times, through requiring a completed WPSP and ATR as absolute pre-conditions for scoring *any* points under the skills development element.

Regardless of the particular route, it is clear through this illustrative consideration of the possible linkages between the SD and EE Acts, that there is immense potential to better address national goals through strengthening the legislative and policy links between a range of legislation and policy that might reside in different government departments.

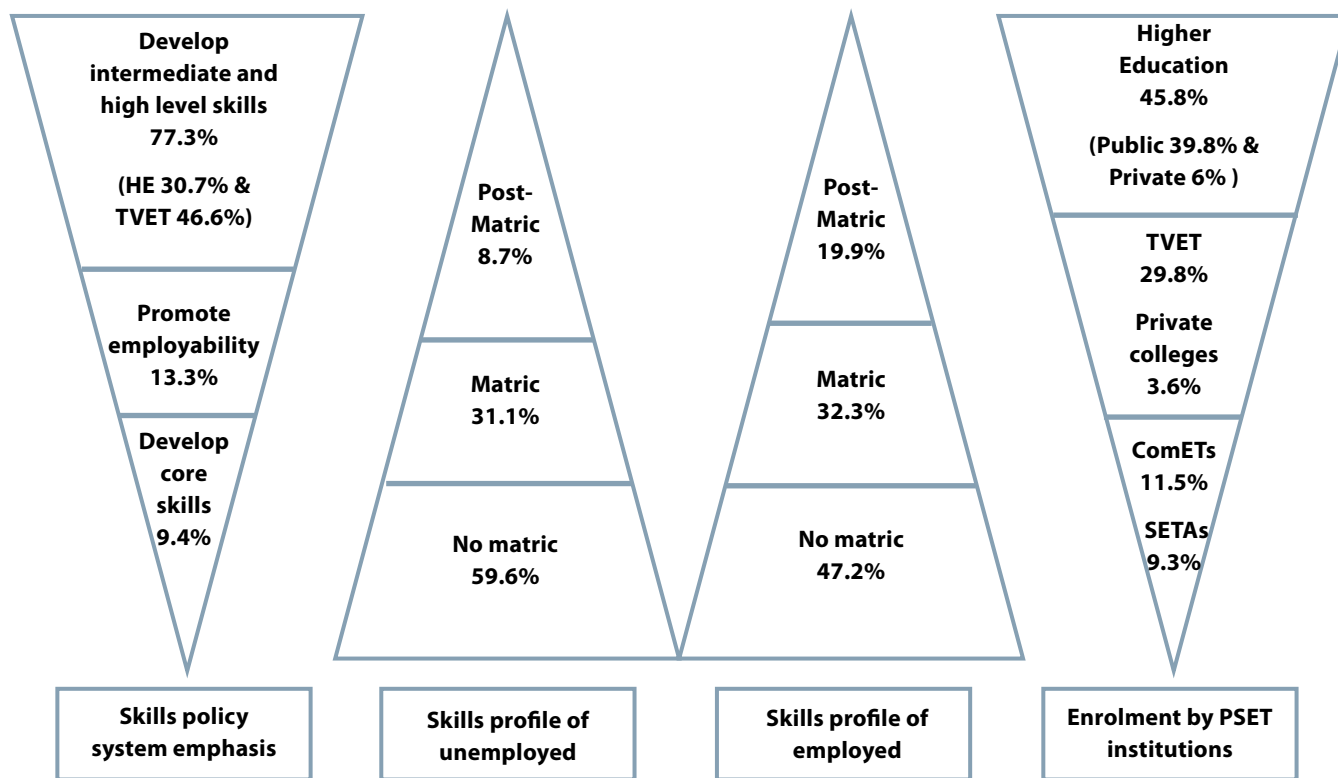
Furthermore, focusing on the emphasis of instruments aligned to this principle, we find that the biggest proportion of instruments is aimed towards *building stronger links between skills and industrial policy*, with the minority of instruments towards *promoting skills as an integral part of development initiatives for vulnerable groups*. This strengthens the earlier insight from the policy worldview analysis which showed an emphasis on aligning skills supply with formal labour market demand. This analysis shows that where there is policy consideration to plan for the development of skills towards reaching particular objectives, this has been incorporated into the system mainly through efforts towards aligning skills with industrial and national policy and much less so towards the skills needs of vulnerable groups in the South African society (consider Recommendations 1 and 3). In addition, we highlight that there is also great potential to better address poverty, inequality and unemployment through strengthening linkages between current skills development and related pieces of legislation.

### 2.3.3 A skills policy system emphasis on developing intermediate and high level-skills

A final illustration takes into account what we know about the size and shape of the skills development system in South Africa, as well as a disaggregated analysis of three key policy goals and instruments which we argue deal most directly with the provision of skills: *developing core skills as building blocks for lifelong learning, developing intermediate and high skills to capitalise on and provide opportunities to high wage/high-skills jobs and employability*. We aggregated the policy instruments and goals and found that emphasis is skewed towards developing intermediate and high-level skills as opposed to developing core skills (9.4%) and employability (13.3%). This is in juxtaposition with the biggest proportion of our unemployed who do not have a matric to access entry into higher level TVET or HE. A disaggregated analysis of the goal of



**Figure 10:** Skills policy system emphasis against the skills needs of SA society



**Source:** Own calculations from DHET (2017), LFS (2016) and systematic review of skills policy system

**Notes:** From left to right – the first pyramid calculates the proportional representation of the selected three policy system goals in relation to each other as an illustration of the skills policy system emphasis. The second and third pyramids disaggregate the skills profile of unemployed and employed South Africans as an indication of the skills needs of our society. The fourth pyramid considers enrolment numbers by PSET institutions, and calculates the proportional representation of participation to illustrate the PSET system provisioning emphasis.

developing intermediate and high-level skills, however, highlights that while the emphasis in the skills policy system on HE (30.7%) is still disproportionate to the skills' needs in society, the development of intermediate skills at TVET institutions now constitute the biggest proportion (46.6%) of the policy focus (consider Recommendation 5 here).

The diagram thus illustrates a *continued disjuncture between the skills policy system and the skills provisioning emphasis against the actual skills needs in society*. The policy emphasis is still skewed towards the development of intermediate and high-level skills (77.3%), while 59% of our unemployed and 47% of our employed do not have a matric and unlikely have any formal qualification above NQF 1. At the same time, the skills provisioning emphasis is away from Community Education and Training (ComET) and SETA programmes, meanwhile they are critical for developing skills for sustainable livelihoods, access to formal education and training at intermediate level and above, recognition and formalisation of skills gained through the workplace, and entry into and progression in the labour market.

### 2.3.4 Section summary and recommendations

The policy worldview analysis shows that while the skills policy system as a whole is incorporating the right kind of notions to set it up to address poverty, inequality and unemployment, much of a wider focus and explicit reference to specific target groups is needed, particularly towards youth who are not in employment, education and training and key marginalised groups such as the rural poor. It has also shown that there is room for incorporating a wider array/new actors in the skills development space, such as co-operatives, SMMEs, and very importantly, SOEs and departments and public entities, by means of new processes, for example. The analysis has shown that DHET can be credited for its focus on formal post-school skilling but also for policy emphasis on RPL, incorporating foundational learning and for putting much more emphasis on a wider range of adult groups. In this project, the role that legislation can play to shift/frame policy focus towards addressing national goals is a paramount consideration (consider Recommendation 2).

If legislation is to act as a key lever for addressing poverty, inequality and unemployment, legislation must explicitly refer to these challenges, identify specific goals, and explicitly define key target groups. Thus, while there is a general focus on youth, there appears to be a much smaller focus on youth not in education or in employment; the question is whether this target group should not be more explicitly targeted in skills legislation (consider Recommendation 3).

Secondly, the analysis based on policy principles has focused on identifying supporting policy goals and instruments and thereby categorised where the skills policy system foci lies. The findings raise the question of alignment towards particular national objectives, on the one hand, and policy coordination towards the production of skills, on the other hand. With regards to alignment, it is clear that the skills policy system emphasis is away from the skills needs of the vulnerable and marginalised. Particularly with respect to the principle of promoting skills as an integral part of broader policies it is also clear that this is currently not a big focus of the system. The findings on the overall policy system focus is important, but also evaluating the nuance of that focus can be instructive. For example, where there are efforts to align the production of skills with national goals, this is still interpreted as requiring alignment mainly with the formal labour market, and not with social policy goals. Where there are policy efforts to promote the sharing of responsibilities for the development of skills, this is done mainly through establishing intermediaries and less focus is on attempts to foster collaboration between existing stakeholders and entities. Where there is focus on ensuring equal opportunities to skills, there is more focus on widening access and success to PSET as opposed to widening provision that would speak better to the needs and constraints of diverse social groups. It will be necessary to engage critically with such findings and consider how the policy system is to be further shaped and steered to better facilitate addressing poverty, inequality and unemployment (consider Recommendation 3 and 6).

Thirdly, the analysis of instruments is potentially useful for future planning as it highlights where concrete mechanisms have been put in place in the skills policy system towards achieving particular policy goals and related principles. It is powerful to find that when we select the three policy goals most directly dealing with the production of skills, we find that the policy goal and instrument emphasis is skewed to the production of intermediate and high-level skills, and much less so to developing core skills and promoting employability, which is where the needs of the biggest proportion of both our employed and unemployed lie (refer to Recommendation 5).

The following section expands on these findings and adds new ones as we analyse three of the core Acts that govern post-school skills development from their origins through to current developments and consider their intention and potential to act as levers of change to reduce poverty, inequality and unemployment by means of skills development.

## Section 3

### An analysis of the core regulatory framework for skills

The systemic review highlighted both emphases and gaps in the skills development 'regime' overall. It confirmed the overall intent of the system towards being inclusive, and highlighted some legislation, policy and strategies of the DHET and other departments that identify some target groups, establish a wider array of processes and recognise a different set of actors illustrative of a more inclusive approach to skills development. The analysis across the policy system confirmed firstly, that it is oriented primarily to reaching the goal of *improving responsiveness and relevance of skills*, but secondly, we also found that the skills policy system emphasis is structured towards the production of high-level skills, and less so to developing core skills and promoting employability. Overall, the systemic review therefore offers breadth with being able to focus on key analytic categories, and importantly, allows us to gauge the extent to which there is policy alignment with national goals.

Conversely, the in-depth analysis of specific core Acts in the PSET policy system augment our understanding of the enabling and impeding factors towards a skills development system that better addresses the challenges of poverty, unemployment and inequality. For now, we focus the analysis on three Acts:

- the NQF Act, which can be seen as an overarching act governing all education and training in the country;
- the SD Act, which *inter alia* addresses a marginalised but critical aspect of the post-school skilling system, namely workplace-based learning (WPBL), and;
- the CET Act, which, unlike the other two Acts, focuses specifically on the actual provision of skills development and key institutions set up in the post-schooling space for this purpose.

The main research question for these focused case studies therefore remains: How can legislation be used as lever to bring about change in the PSET-SD system so as to better address the challenge of high levels of poverty, inequality and unemployment? In particular, the case studies ask: What were the original objectives for establishing the NQF and for adopting the SD and CET Acts, their respective conception and further development? What is the current space regulated by NQF legislation; what is the applicable domain and focus of the SD Act; and what does the CET Act try to achieve? In each case: What challenges can be discerned from the analysis of respective regulatory frameworks and from preliminary engagements with experts? What has been the role and impact of this legislation on poverty, inequality and unemployment, and what do legislative/regulative policy proposals promise or can be recommended?

## 3.1 The National Qualifications Framework (NQF) Act

### 3.1.1 The origins of the NQF

The NQF is one of the cornerstones of the ANC's policy framework for education and training of 1994 and intended as *a transformative instrument to address skills development especially for the unemployed and those in work "locked into low-skilled and low-paying jobs"* by means of a closer integration of education and training, widening opportunities for learning, and the recognition of prior learning (ANC, 1995: 11; also see: ANC, 1994: 68; DoE/DoL, 2003: i). Its local origins go back to workers' demands for rights to education and training in the 1970s and 1980s, and the United Democratic Front's campaign for democratic education. The democratic movement's National Education Policy Investigation (NEPI) then considered in detail ways of ensuring systemic articulation across the entire education system to facilitate equity in a context of differentiation, and *a unified qualifications authority and framework*. Eventually an understanding was reached to opt for a 'seamless' framework, similar to those adopted by Scotland and New Zealand (DoE/DoL, 2002: 5; SAQA, 2017a). By 1994, the ANC conceived of the NQF as follows:

*"A nationally integrated system will link one level of learning to another and enable learners to progress to higher levels from any starting point in the education and training system. Learning and skills which people have acquired through experience and informal training will be formally assessed and credited towards qualifications". (ANC, 1995: 11)*

The NQF normative concept involved that all levels of the national qualifications and certification structures would be integrated in a credit-based, outcomes-based system with three major 'exit points': A General Education Certificate (GET), a Further Education Certificate (FET), and Higher Education (HE) qualifications. In addition, there would be three ABET level of certificates, and RPL would be a key component in defining prerequisites.

There would be mechanisms to ensure articulation, progression and equivalence between curricula from different learning context. A national "core curriculum" for GEC and FEC (to be developed by a National Institute for Curriculum Development) would ensure greater equity, an integration of academic and vocational skills, and particularly the core curriculum for FEC would be differentiated between compulsory core general subjects and optional vocational or academic subjects (ANC, 1995: 73). SAQA would be responsible for the accreditation of courses, co-ordination of examinations and certification (ANC, 1995: 75). National examinations would ensure the assessment of learner achievements (ANC, 1995: 76).

In the original policy proposal, a single Ministry of Education and Training would be responsible for the funding and coordination of the education and training system, including the NQF, national curriculum framework, norms and standards and quality assurance system.

A first departure from this proposal was that the SAQA Act was *jointly sponsored by the Ministries of Education and Labour*. Many of the NQF-related implementation challenges and delays resulted from this. The SAQA Act was eventually replaced in 2008 with the NQF Act.

### 3.1.2 What is the NQF?

The NQF was officially established on 28 March 1998, originally with eight, now 10 levels. It is grouped in three bands: the GET band (Level 1), FET band (Levels 2-4) and HET band (Levels 5-10). It comprises of three sub-frameworks (SF): The General and Further Education and Training Qualifications SF (GFETQSF – Levels 1-4), the Higher Education Qualifications SF (HEQSF – Levels 5-10), and the Occupational Qualifications SF (OQSF – Levels 1 - 8) (DoE/DoL, 2002: 11; DHET, 2013b; see Figure 11 below).

**Figure 11:** Current NQF Levels and Sub-Frameworks

National Qualifications Framework			
NQF Level	General and Further Education and Training Qualifications SF	Higher Education Qualifications SF	Occupational Qualifications SF
10		Doctoral Degree Doctoral Degree (Professional)	*
9		Master's Degree Master's Degree (Professional)	*
8		Bachelor Honours Degree, Postgraduate Diploma, Bachelor's Degree	Occupational Certificate (Level 8)
7		Bachelor's Degree, Advanced Diploma	Occupational Certificate (Level 7)
6		Diploma, Advanced Certificate	Occupational Certificate (Level 6)
5		Higher Certificate	Occupational Certificate (Level 5)
4	National Certificate		Occupational Certificate (Level 4)
3	Intermediate Certificate		Occupational Certificate (Level 3)
2	Elementary Certificate		Occupational Certificate (Level 2)
1	General Certificate		Occupational Certificate (Level 1)

**Notes:** In the schooling system, NQF Level 1 is the exit level of Grade 9, while NQF Level 4 is the exit level of Grade 12 (matric). In the TVET subsystem, NATED 1–3 correspond with NQF 2-4; NATED 4-6 fall within the HE-OQSF band. Source: DHET (2013a: Schedule)

In addition, the NQF is divided into 12 organising fields and initially a National Standards Body (NSB) was established for each field. SAQA, in consultation with NSBs, had the task of prescribing level descriptors that were coherent across fields and internationally comparable (DoE/DoL, 2002: 11). Level descriptors (as learning exit outcomes) were published in 2011 for every NQF Level (SAQA, 2012). NSB functions were eventually transferred to the quality councils (QCs).

The NQF is therefore first and foremost a conceptual framework on which national standards and qualifications are registered (SAQA Act, 1995: section 1). Its policy objectives are, however, what really defines it, namely:

- (1) *it creates an integrated national framework of learning achievements;*
- (2) *it facilitates access, mobility and progression within ET and employment;*
- (3) *it enhances the quality of E & T;*
- (4) *it accelerates redress of educational and job opportunities, and;*
- (5) *it advances personal, social and economic development. (DoE/DoL, 2002: 6-7).*

The NQF is therefore a progressive idea, linked to notions of access, mobility, progression and quality in education, training and employment, seeking to accelerate redress and advancing development at personal, social and economic levels. In terms of policy objectives, it is intended to make an impact on reducing poverty, inequality and unemployment by means of accelerating redress and advancing personal and socio-economic development. However, the extent to which these objectives have been achieved in reality has been subject to prolonged and ongoing contestation.

### **3.1.3 Reviewing the Implementation of the NQF: 2002-2007**

In 2002, a DoE/DoL joint study team comprehensively assessed the implementation of the NQF and produced a *Study Team Report* which recommended ways in which to streamline and accelerate its implementation (DoE/DoL, 2002). In response to the Study Team's report, the Departments of Education and Labour jointly issued in 2003 the consultative document *An Interdependent National Qualifications Framework System* (DoE/DoL, 2003). In the document they agreed with many of the recommendations of the Study Team, such as the general thrust of the report and specific proposals such as a 10-level NQF, a nested approach to qualifications design (laying to rest the debate around whole qualifications and unit standard qualifications), the notion of different educational pathways, and the proposal that QCs should take over standard generation. They disagreed, however, on a number of other points and proposed three (rather than two) educational pathways, i.e. a general, a professional/career-focused, and a workplace-based learning pathway (i.e. an occupational pathway), along with the establishment of a QC for trade, occupational and professional education (which would incorporate the NSA), and other matters focused specifically on workplace-based learning and its integration with general and career-focused qualifications. (DoE/DoL, 2003).

It took until 2007 and prolonged consultation and engagement between the DoE, DoL and SAQA (as well as other bodies involved in the NQF implementation) to finally result in an inter-ministerial agreement and the joint policy statement *Enhancing the Efficacy and Efficiency of the National Qualifications Framework* (DoE/DoL, 2007). This brought an end to the review of NQF implementation and affirmed the aims and objectives of the NQF, particularly the founding principle of an integrated approach to education and training, as well as SAQA's role therein.

- The whole qualifications vs. unit-standard based qualifications was resolved by recognising modules as learning units alongside unit standards leading up to the achievement of exit outcomes (and thus also recognising the diversity of terms used such as 'module outcomes', 'assessment standards', and 'standards of professional practice'). This has been extended into the occupational qualifications sector now with QCTO developing whole qualifications (SAQA, 2017b).
- It established three sub-frameworks and a third quality council for trades and occupations (QCTO) to oversee qualifications that lead to occupational competence rather than follow an institutional learning pathway (DoE/DoL, 2007: 10). It affirmed the role of professional bodies in the design and quality assurance of occupational and professional competence within the frame of the NQF.
- The NQF and SAQA moved from the DoL to the jurisdiction of the Ministry of Education. The *NQF Act*, which replaced the SAQA Act of 1995, gave legislative effect to the new policy (DoE/DoL, 2007).

While asserting the South African grounding of the NQF's history and development, one of the findings of the long review was that in international comparison, it was striking that South Africa, with "the least mature learning system, the greatest disparities and the most acute capacity problems" had chosen "the most austere and demanding option" of an NQF. With the best intentions, the cumulative decisions that had been taken had "put the NQF under terrific stress" (DoE/DoL, 2002: 131-2). Moreover, the focus on the 'technical' and administrative matters in the review of the implementation of the NQF at the time strikingly distract from the question to what extent the NQF was able to achieve its progressive aims of redress (compare our Recommendations 4 and 8).

### 3.1.4 Current developments and challenges in the NQF-regulated space

Since the long review of NQF implementation (2002-2007), the establishment of the Ministry and Department of Higher Education and Training in 2009, various related developments such as the move of TVET colleges from provincial to national control and the publication of the *WP-PSET* (DHET, 2013a), have had the greatest positive impact on the further development of the NQF to provide an integrated post-school system (aimed at expanding access and provision, improving equity, quality and responsiveness) and thus to give effect not only to the NQF's progressive objectives defined in the early years of the democratic government but also to the 2030 goals for education and skills development in the *National Development Plan* (cf. DHET, 2013b: 1-3).

According to the WP-PSET, the NQF "overarches the whole education and training system in South Africa" and provides "the overarching context in which all regulation takes place [...] for provision, assessment, certification and quality assurance"; SAQA is noted as the body with overall responsibility for the implementation of the NQF (DHET, 2013a: 69). The NQF is reaffirmed with the changes that were made with regard to three sub-frameworks and the establishment of the QCTO. The matter of large numbers of unused unit standards is noted as against skills programmes that are recognised in the labour market but not



registered on the NQF. The latter, if it is determined, will need to be recognised by the NQF. The development of 'whole qualifications' in occupational fields is affirmed as a priority. In terms of labour market and public perceptions of the quality, recognition and 'marketability' of skills programmes and related occupational qualifications, these developments are likely to have a positive impact on skills development at the crucial entry and intermediate skill levels (NQF 1-6) and therefore on the reducing poverty, inequality and unemployment where it is most pronounced.

With regard to the *NQF Act* and the NQF itself to serve as an 'overarching framework' for the formal national education and training system (and by means of RPL, for non-formal and informal skilling in the workplace), there are ongoing regulatory matters to be addressed (and in the process of being addressed) including (but not limited to) governance (and jurisdiction over NQF related matters), the NQF itself as framework (and certain NQF levels, qualifications/part qualifications, articulation and RPL), the institutional sprawl in the NQF regulatory space, and then finally the assessment of the impact of the NQF in terms of expanding skills development for the purposes of redress and addressing poverty, inequality and unemployment.

### 3.1.1.1 NQF Governance and Oversight

The problem of jurisdiction over NQF-related matters is closer to resolution with most (but not all) of the NQF-related responsibilities being assigned to the Minister of HET, as per original policy intent of 1994. All QC bodies involved in NQF sub-frameworks are governed by additional legislation, i.e. Umalusi is governed by the *General and Further Education and Training Quality Assurance Act (GENFETQA) Act*; (2) the CHE/HEQC by the *HE Act*; (3) and QCTO by the *SD Act* (see below for a detailed consideration of the *SD Act* and recommendations). In addition, one SETA (MQA) and several professional councils are governed by separate acts, while the other SETAs are governed by the *SD Act*.

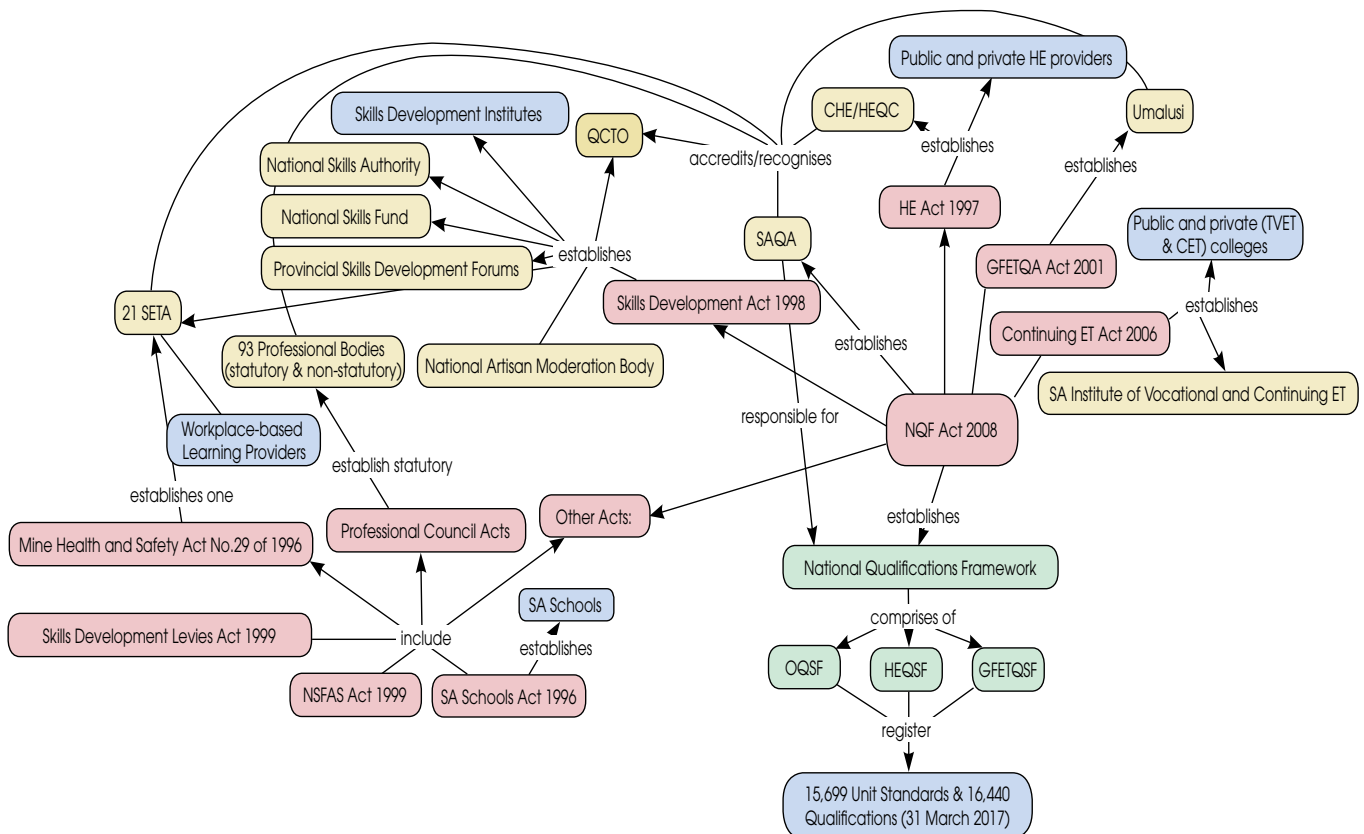
Notwithstanding, the Minister of HET has overall executive responsibility for the NQF, SAQA, and the quality councils (*NQF Act*, Section 8[1]). In addition, detailed responsibilities of the Minister are outlined in Section 8(2) with regard to determining policy related to NQF, strategies and policies for NQF, funding for SAQA, determining sub-frameworks, and considering advice from SAQA.

What needs to be clarified and may require legislative change is the leadership role of DHET overall (as against, NEDLAC, for example), the future of SETAs and the NSA (in a future landscape) (see below; expert interview), and the regulation and role of the increasing number of recognised professional bodies (statutory or not). Experts have noted that the establishment of the QCTO raised concerns in the HE Sector about quality assurance, as has the delegation of QCTO ETQA functions back to SETAs. The *SD Act* speaks of the role of NSA very broadly, this must be clarified along with its relation to QCTO – there were at some point proposals to incorporate NSA into QCTO, and NAMB – which was also proposed to be incorporated to QCTO, and SETAs amongst others. Proposals in this regard are under consideration (currently at NEDLAC) (cf. NSLP,

DHET 2015a; New NSDS), and some of these matters may be addressed in keeping with the DHET plan to review the *SD Act* (DHET 2015b: 15).

Legislative alignment may be required between the *WP-PSET* and existing acts, including the *SD Act* and the *Skills Development Levy Act*; the collection and disbursement of the SD levies (who funds SD? who controls SD levies? who distributes SD levies? is it the domain of SD Act or PSET?), and questions have been raised as to the participation of government departments in the SD levies system (expert interviews). In this regard the redirecting of SDL to fund NSFAS (TVET and HE) has also come up (expert interview). The *National Plan for PSET* (forthcoming) is expected to provide guidance (to be published in draft in the course of 2017) and further legislative changes prompted by the *WP-PSET* and the *National Plan* can be expected (also see discussion below under SD Act).

**Figure 12:** The NQF Act in relation to other SD/ET Acts and Institutions



Finally, the question is whether there is and should be an 'overarching' legislation for the whole education and training domain (with skills development broadly conceived), and whether the *NQF Act* effectively provides that (see Figure 12 above). In this regard, attention will need to be paid to building synergies into the overall legislative and regulatory framework governing PSET-SD and between that legislation that directly and indirectly affects skills development as discussed in the previous section (e.g. *Immigration Act*, *BBBEE Act*, *Labour Relations Act*) in a way of joined-up policy making (Kraak, 2012) to specifically address the

skills development-related challenges to address poverty, inequality and unemployment more effectively. Figure 12 provides an overview of the current 'space' regulated by the NQF and related institutions.

### 3.1.1.2 The NQF as Framework

The NQF as a single integrated national system on which all national education and training standards and qualifications are registered, continues to be affirmed as important and useful, and *simultaneously* criticised as inflexible and having led to a focus on 'input' and education supply-side measures of skills development *at the expense of* skills output and the labour market demand-side of skills. It is argued that the NQF *overstates* a formalised system of qualifications and does not provide for enough flexibility (in terms of access, RPL, articulation and progression) (expert interview). While the NQF has been improved by moving away from atomised (unit standard-based) and fragmented qualifications, the vast number of unit standards and qualifications registered on the NQF (including many for which there is no take-up) remains a concern. A related matter is the future of 'legacy' occupational qualifications that continue to have a good level of acceptance in the world of work, and that of 'outdated' qualifications (and here NATED 4-6 are frequently mentioned). All this raises the question who should be responsible for the development, review, and assessment of qualifications (and thus the realistic role and capacity of QCTO). One argument is that government functions should be institutionalised in government (expert interview). Most pressing is also the need to upscale and institutionalise provision (as well as governance, funding, and quality assurance) of workplace-based learning (see below: case study of SD Act, and Recommendation 11).

A general critique of the NQF is that the two sectors with the most highly developed provider institutions, i.e. the HE and schooling sectors, continued to develop and thrive in the last two decades *despite the NQF and SAQA regulations* (e.g. by defying the unit standard model), while the most institutionally underdeveloped sector and yet main target sector in terms of skills development to address past injustices, poverty, inequality and unemployment, i.e. the occupational sector – and particularly learnerships, apprenticeships and the provision of workplace-based learning, FET college programmes, etc. – were *crippled* and the least able to deliver on the *ve* NQF objectives *because the sector sought to implement the NQF in the way SAQA was developing it*. In this respect, the way the DoL and SAQA insisted on implementing the NQF in the past may have impeded the most vulnerable groups to gain access to skills to reduce poverty, unemployment and inequality.

Finally, while the HEQSF clarified the HE band of qualifications with the *NQF Act* of 2008, the same clarification is needed in the intermediate skills band and with respect to related qualifications, especially at NQF Levels 2 and 3 and with respect to what some have called the 'missing' NQF Level 5 in occupational skills development (expert interview). Central to that is that the OQSF must be developed fully. The establishment of QCTO is welcome but it is still building capacity (e.g. to take back EQA responsibilities from SETAs) and

must work on clarifying the OQSF to address the negative public and employer perceptions of the quality and relevance of occupational qualifications (expert interviews). RPL and the matter of horizontal, vertical and diagonal articulation and progression also need to be included in such clarification to ensure greater NQF flexibility (and simplicity) (compare Recommendations 7 and 8). It is precisely in these spaces where the highest impact can be made on the most vulnerable.

### 3.1.1.3 Institutional sprawl in the NQF Regulatory Space

Overall a major concern in public and expert discourse is also the ‘institutional sprawl’ of advisory, administrative, planning, governance, funding and quality assurance bodies (to mention but a few types) in the NQF space, the over-regulation that is sometimes referred to as the ‘wet blanket’ that suffocates actual provision of PSET-SD. The sheer number of ‘authorities’, boards, councils, etc., is one concern; another is that they have overlapping mandates (and distinct mandates that are certainly not understandable for the average working person or work-seeker); limited capacity and expertise; consume high administrative costs; and despite their proliferation in number have an extremely limited geographical footprint (typically concentrated in the Gauteng Province and lesser so in the other metros, at the exclusion of other provinces and particularly rural areas). This ‘institutional sprawl’ includes (see Figure 12 above): SAQA; the three Quality Councils (QCs), i.e. Umalusi, CHE/HEQC, and QCTO; 21 SETAs; 93 statutory and non-statutory professional bodies recognized by SAQA; the National Skills Fund; the National Skills Authority (established in 1999 in keeping with the *SD Act* and previously proposed to be incorporated into QCTO); Provincial Skills Development Forums; NAMB (established in 2010 as an operational unit within the DHET by *SD Act*, Section 26A and proposed to be incorporated in QCTO); SAIVCET (in the process of establishment), and various other bodies and units. In this regard, it must be noted that there are several proposals for consolidating the landscape of skills development: with respect to the incorporation of NAMB into QCTO and the incorporation of SETA into NSA (cf. HRDC Review of 2013; NSLP of 2015). This is discussed in more detail in the *SD Act* case study, below. The overall point is that the sprawl of regulatory institutions is not only resource intensive; institutional sprawl may also have led to implementation crawl in some respects, as the regulatory system becomes so complex that it creates too many *disincentives* for participation in the actual provision of quality skills development (compare Recommendation 4).

### 3.1.5 NQF Impact and Recommendations: Expanding provision and Effect on target groups

Against the institutional sprawl in the regulatory space, the question must be asked how this affects actual *provision* of post-school skills development and therefore the experience of certain target groups trying to access skills development, progress through the qualifications framework, and gain the skills and certification thereof to improve their quality of life. As noted in Section 2, South Africa’s overall education

and skills development provision remains characterised by the *anomaly* whereby most PSET qualifications are awarded annually in the HE sector. Despite massive expansion in the TVET sector in recent years, TVET college provision remains eclipsed by HE, and the least number of qualifications is awarded by SETAs and Community Education and Training institutions. This anomaly occurs in a context, where a massive and growing number of youth are not in employment, education and training (NEET), and cannot access higher education qualifications (not having prerequisite qualifications, having dropped out of HE prematurely due to resource constraints or for other reasons). This phenomenon is referred to as the *inverted pyramid* of PSET provision (see systemic review above); it attests to the continued *elitist nature* of formal education and training provision in South Africa; and overall has all features of a skills supply crisis. The systemic review of skills development policy and legislation showed continued disjuncture between the skills policy system and the skills provisioning emphasis against the actual skills needs in society where the greatest impact can be expected on reducing poverty, inequality and unemployment (compare Recommendation 4).

In order to enhance the impact of the NQF on addressing poverty, inequality and unemployment, the key matter is to further institutionalise and upscale overall *provision* while paying attention to matters of access, learner/student experience, and success. In particular, it is recommended:

- Continued expansion of TVET provision
- Development of CET colleges
- Institutionalisation and expansion in provision of workplace-based learning opportunities
- The establishment of Skills Development Institutes
- Planned expansion of enrolment in HE institutions

As far as the NQF in particular is concerned, attention must be given to:

- Giving effect to the NQF as overarching organising framework for PSET-SD by means of (1) further enhancing the popular understanding of the NQF; (2) ensuring overall flexibility as well as articulation and progression throughout the NQF along with the implementation of the new RPL policy, and; (3) enhancing the significance of NQF level 1
- Crucial NQF levels are particularly NQF levels 1-2 (core skills) and NQF 3-6 (intermediate skills), where the greatest impact can be made in terms of providing meaningful access to formal qualifications. The 'zig-zagging' through the NQF must be addressed by means of identifying less academically inclined learners earlier (e.g. by providing a meaningful GET certificate and exit point at grade 9/NQF level 1) and providing them with attractive vocational and occupational learning opportunities where talents can be enhanced and validated through NQF levels 2-4 and beyond.
- Thus, a set of valued and valuable qualifications (over and above the 'matric') are needed and national occupational curricula and an integration of occupational learning programmes with an institutionalised provision of WPBL are important opportunities at NQF levels 1-6.

- Overall, an integrated human resource development planning and funding framework (and related legislation) may be required that integrate skills development planning with funding (e.g. through the SD Levy and NSFAS), along with attention focused throughout on throughput and success, so that effect can be given to *NDP* targets (cf. GTAC, 2016).
- Greater flexibility regarding the provision of non-accredited/non-qualification skills development as well as formal skills development by means of a different set of actors.

All these points are captured in specific recommendations spelled out at the end of this report. However, it is important to note that in all respects, the most important ongoing regulatory development in the NQF regulated space is the current drafting of a *National Plan for Post-School Education and Training*, which “will provide a blueprint for working towards an expanded, effective and integrated post-school system over the period to 2030” to give effect to the *WP-PSET* (Lewin 2016). The analyses of the *SD Act* and *CET Act* further elaborate on legislative changes that may have positive impact and give expression to the recommendations above.

## 3.2 The Skills Development (SD) Act

### 3.2.1 Origins, conception and development

#### 3.2.1.1 The origins of, and key changes to the SD Act

The ANC’s policy framework for education and training of 1994 intended the integration of education and training, the widening of opportunities for learning, and the recognition of prior learning as a means to address the legacy of under-education, under-skilling and under-preparedness of workers for the world of work, and facilitate the official recognition of prior learning (ANC, 1995). Early policy documents of the democratic government rarely focused explicitly on skills development or workplace-based learning, but rather on the education and training system and its subsystems, i.e. GET, FET and HET (as well as ABET), and the need for RPL (ANC, 1995: 11, 19). Only occasionally was reference made to “industry-based education and training” and “programmes within industries”, which would need to become consistent with the NQF, and the problems identified in relation to technical colleges and the training of apprentices under the Industry Training Boards (ANC, 1994: 61; ANC, 1995: 120-121).

The *SD Act* was conceived to replace the *Manpower Training Act* of 1981, the *Guidance and Placement Act* of 1981, the *Local Government Training Act* of 1981, and Sections of the *Telecommunications Act* of 1996. Thus, the National Skills Authority (NSA) became the successor to the National Training Board established by the *Manpower Training Act*, the National Skills Fund (NSF) the successor to the *Manpower Development Fund*, the Industry Training Boards were wound up and a system of SETA was put in place, and training centres and apprenticeships abolished (*SD Act* 1998, Section 37(2)).

The *SD Act* therefore provided an entirely new institutional framework to devise and implement national, sector and workplace-based skills development strategies, integrate them with the NQF, provide for learnerships (rather than apprenticeships), enhance skills development by means of the National Skills Fund, and finally provide for and regulate employment services. More specifically, its original objectives as per Section 2 of the *SD Act* were:

- (a) *to develop the skills of the South African workforce;*
- (b) *to increase the levels of investment in education and training in the labour market and to improve the return on that investment;*
- (c) *to encourage employers to use the workplace as an active learning environment; provide employees with the opportunities to acquire new skills and work experience; and employ persons who find it difficult to be employed;*
- (d) *to encourage workers to participate in learnership and other training programmes;*
- (e) *to improve the employment prospects of persons previously disadvantaged redress those disadvantages through training and education;*
- (f) *to ensure the quality of education and training in and for the workplace;*
- (g) *to assist work-seekers to find work; retrenched workers to re-enter the labour market; employers to find qualified employees; and*
- (h) *to provide and regulate employment services. (SD Act, 1998: Section 2, with edits)*

These purposes were to be achieved by means of (1) a new institutional and funding landscape especially the NSA, NSF and the SD levy scheme, SETAs, labour centres, the Skills Planning Unit (SPU); (2) partnerships between the public and private sectors to provide education and training in and for the workplace; and (3) co-operating with SAQA. The *SD Act* was sponsored by the Minister of Labour.

### 3.2.1.2 Key changes to the *SD Act* to date

Since its commencement in 1998, the *SD Act* was amended seven times:

- While the first amendment was prompted by the *SDL Act*, the second amendment of 2003 dealt in-depth with the SETA landscape established by the 1998 Act, in particular to improve their governance, financial management and operation, including their amalgamation in some cases; as well as matters related to the NSF, learnerships, and standards of good practice in skills development.
- The third amendment came in 2008, prompted in parts by the *NQF Act*, broadening the application of the *SD Act* and the functions of the NSA; and giving additional functions to SETAs. It further provided for an increase in the quality and quantity of artisans, in that it re-established apprenticeships, provided for the National Artisan Moderation Body (NAMB), the listing of trades and occupations, a national register of artisans, and trade tests; it established the OQSF and the QCTO, and Skills Development Institutes, as well as other matters.

- The *Higher Education Laws Amendment Act 26 of 2010* brought a fourth and incisive amendment to the *SD Act* in that it changed the responsibility for the *SD Act* (except for some sections) from the Minister of Labour to the new Minister of HET. In addition, it made some changes to the constitution of QCTO and related matters.
- The fifth amendment in 2011 focused again on the SETA landscape, financial management, accountability and governance.
- Finally, the *Employment Services Act 4 of 2014* replaced those sections in the *SD Act* dealing with employment services and Productivity South Africa, which continue to fall under the Ministry of Labour.

### 3.2.2 Recent and ongoing developments in the SD Act-regulated space

Since 2010, the *SD Act* is the responsibility of the Minister of Higher Education and Training. In essence, the Act provides for an integrated framework to plan and implement national, sector and workplace strategies to develop and improve the skills of the South African workforce by establishing of various planning, governing, quality assurance and advisory bodies, the financing of skills development, and learnerships and apprenticeships that lead to recognised occupational qualifications. Since the transfer of responsibility to the MHET, there have been various important developments and initiatives, over and above the rapid expansion of FET provision in general, especially focused on the institutional landscape and governance of the domain regulated by the Act. Among them has been a renewed focus on skills planning; the SETA landscape (establishment, amalgamation), SETA constitution, governance and management; grant regulation and NSF grant administration and grant allocation; extensive work on the OQSF, occupational qualifications, and especially registered trades; and the establishment and operation of QCTO.

In addition, the *DHET Strategic Plan* for the next years proposes to review of the *SD Act* and *SDL Act*; the SETA landscape and SD levy grant regulation; the NSDS; as well as to develop new, and review existing policies and subordinate legislation linked to mandates in the *WP-PSET* including developing a national policy on community colleges; developing management information systems to gather national occupation and artisan data; an RPL policy applicable to artisan development; national trade testing regulations; a policy for recognising professional bodies and a registering professional designation; a policy on learning and distance education across the PSET sector; a central application service for PSET courses and programmes; a national policy on career development services; and a workplace-based learning policy and learning programmes regulations (DHET Strategic Plan, 2015/16-2019/20: 15-16).





programmes). A review of the *SD Act* may benefit from unbundling and 'splitting' it into several acts, in keeping with the different purposes of the existing act (compare Recommendations 12 and 13):

- an act specifically dealing with (the governance, funding, provision and quality assurance of) occupational qualifications, trades, professions and other formal (and non-formal) learning programmes involving a workplace-based component, i.e. an *Occupations, Trades, Professions and Workplace-based Education Act*;
- an act applicable specifically to human resource development, skills planning (broadly conceived) and related advisory and regulatory functions, i.e. a *Human Resources Development Act*, and;
- a reviewed SDL Act, i.e. a *Human Resources Development Funding Act*, which could incorporate the provision of the NSFAS.

### 3.2.3.2 Regulating and Institutionalising Workplace-based Learning (WPBL) Provision

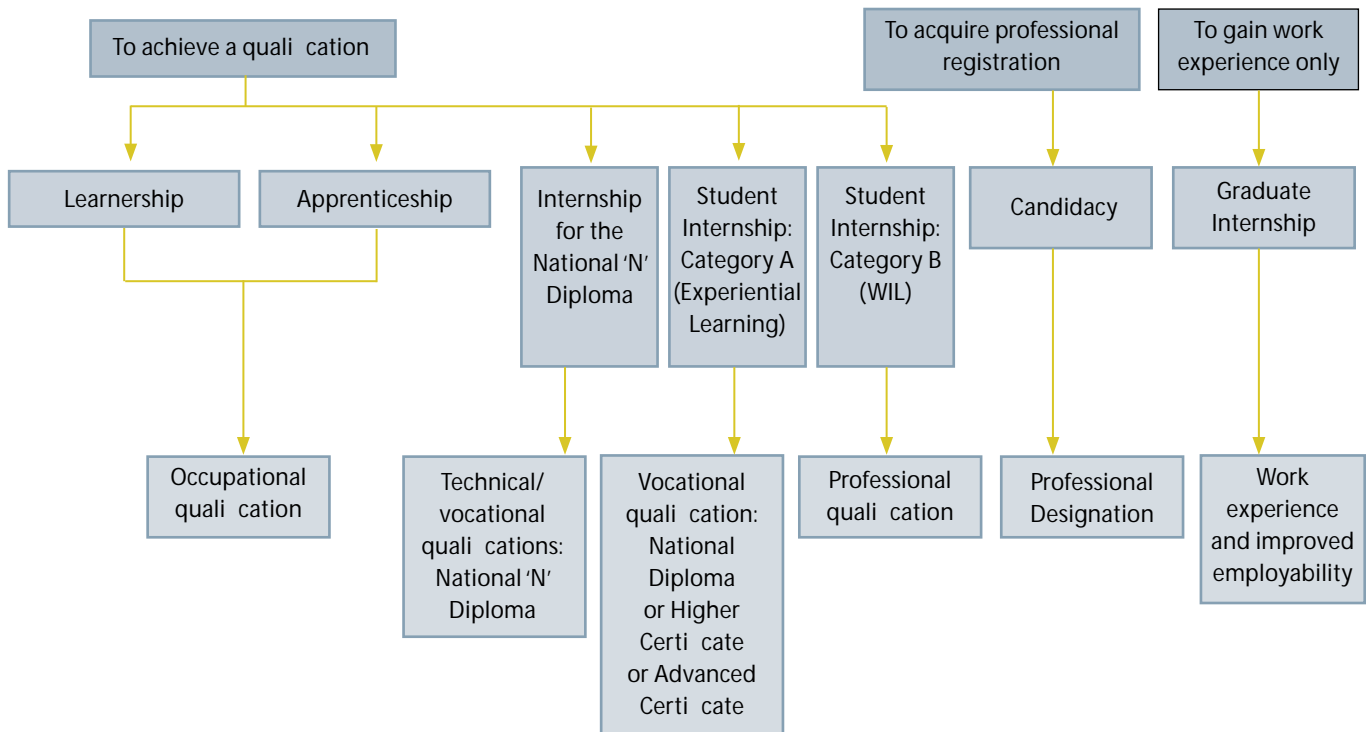
The unbundling of the existing *SD Act* would provide opportunity for the successor Act to focus specifically on occupational learning programmes and related qualifications involving a workplace experience, as well as the regulation of the provision of workplace-based learning (i.e. an *Occupations, Trades, Professions and Workplace-based Education Act*).

A key problem with respect to occupational programmes is the (un-)availability of WPBL opportunities, which is not institutionalised in the way other ET sub-systems have specifically identified and publicly (and privately) established education providers (expert interview). As it is with respect to other ET subsystems, where there are both public and private providers, the provision of workplace-based learning should be seen to have a public component and a private component:

- (1) Public providers of workplace-based learning potentially include all national, provincial and local government departments, all entities established by them, as well as state-owned enterprises;
- (2) Private providers of workplace-based learning potentially include all private sector employers of various kinds, be that large corporations, SMMEs, or cooperatives, NGOs and trusts.
- (3) In addition, consideration should be given to development of WPBL centres that 'simulate' the workplace and, where occupationally appropriate, even create 'virtual' workplace-simulated environments.

Given the size of the public sector in particular, and of state-owned enterprises, there is a huge opportunity to legislate and institutionalise WPBL here, along with corresponding regulations for the private sector. Regulated thus, the link to TVET colleges and community colleges (as well as other providers that require WPBL as part of qualifications, such as technical schools under DBE, HEIs) can be defined firmly (see Recommendation 11). Figure 14 below shows the different categories of workplace-based learning currently recognised in South Africa.

**Figure 14:** Categories of workplace based learning in South Africa



Source: DHET (2015)

Therefore, while the institutional sprawl sparked by the current *SD Act* (and *NQF Act*) focuses on planning, governance, funding and quality assurance, the core focus of a renamed successor to the *SD Act* (for example, an *Occupations, Trades, Professions, and Workplace-based Education and Training Act*) should be actual *provision* so as to be able to address unemployment, inequality and poverty by means of legislative intervention in occupational and workplace-based skills development *directly* rather than indirectly (see Recommendations 11 and 12).

### 3.2.3.3 Access, RPL, and learning pathways and the OQSF

In addition to regulating and institutionalising provision of occupational and workplace-based learning in particular, an *Occupations, Trades, Professions and Workplace-based Education Act* would need to provide for those elements of the current *SD Act* that speak to the OQSF (e.g. standards, curriculum) and the different types of formal learning programmes and qualifications that fall within its ambit (e.g. occupational certificates, registered trades, recognised professions, workplace-based learning programmes, part qualifications), and their quality assurance (QCTO). Provided that the Minister of HET has overall executive responsibility for the NQF, SAQA, and the QCs (NQF Act, Section 8(1)), including determining strategies and policies for the NQF and determining sub-frameworks, concerted legislative change is possible.

In this respect, the original objectives of the *SD Act* need to be remembered, particularly of providing access to meaningful occupational and workplace-based learning opportunities for those who are disadvantaged, underemployed and unemployed and to provide for RPL and for clear learning pathways into and through

the education and training system into the world of work. In this regard, entrance requirements that hinder access to artisan training (such as requirements of maths) must be reconsidered (expert interview). Consideration must be given to both NQF level entry and exit points (NQF level 1 and subsequent) to ensure that there is good articulation and progression possible from general schooling (Grade 9) into the vocational and occupational qualifications, and eventually progression through various levels of vocational and occupational qualifications (including articulation into general/academic and professional HE learning programmes) so as to avoid the 'zig-zagging' of learners through the NQF (also see *CET Act* analysis below).

Overall legislative measures should be aimed at enhancing access and success to quality learning to the poor, under- and unemployed, and those lacking formal qualifications. In keeping with the discussion in Section 2, a new set of target groups may need to be explicitly defined: e.g. youth not in education, employment or training, poor rural and township communities, rural black women, and so forth, to expressly target them as vulnerable groups. The geographic footprint of provision may need to be legislated as part of legislating, upscaling and institutionalising workplace-based learning opportunities (compare Recommendation 11). Finally, the developers of new qualifications should aim at a manageable set of credible and valued qualifications with a valued common core and which addresses public and labour market perceptions of the (lack of) value of vocational and occupational qualifications.

#### **3.2.3.4 Planning and the roles of NSA, SETAs, SPU, HRDC, NSP**

The current *SD Act* speaks of the role of NSA very broadly; and yet its function is mainly advisory. This must be clarified along with its relation to NAMB, QCTO, and SETAs amongst others, on the one side, and that of the Human Resource Development Council (HRDC) on the other side (expert interview; *NSA Annual Report*, 2016: 17). Current proposals by the DHET with regard to the former are under consideration as part of discussions on a new NSDS and (DHET, 2015a). They should eventually be viewed in relation to the review of NSA, the *SDL Act*, and considered in terms of the proposal made here, namely to unbundle the current *SD Act* (compare Recommendation 12).

Thus, if one successor Act to the *SD Act* addresses itself specifically to the *provision* (and related matters of governance, and quality assurance) of occupational learning programmes and qualifications involving WPBL and the regulation of its provision, a second successor Act could place certain functions of the NSA into the realm of a *Human Resources Development Act* and amalgamate them with those of the HRDC. Such legislation may best be sponsored at the level of the Presidency/DPME to ensure policy alignment across departments, building synergies by means of HRD regulation, and ensuring that HRD legislation and other legislation in other departments that affect the demand and supply of human resources are coherent in a way of 'joined-up policy making' (expert interview).

### 3.2.3.5 Funding in the PSET System

It is clear that legislative alignment will be required between the *WP-PSET* and the *SDL Act* even taking a minimalist, incremental view of regulatory change. The review of the *SDL Act* planned by the DHET will need to reconsider the collection and disbursement of the current SD levy. Broader questions may need to be asked, not the least in the light of the student protests in the HE and FET sectors since 2015; most generally speaking: who should pay for skills development? Who should pay for it both broadly conceived, as formalised and institutionalised HR development across the entire formal ET system, or more narrowly focused on the PSET system in particular, or even more narrow with a particular focus on formal WPBL? Is the current SD levy-grant system an appropriate tool or are there other (additional or alternative) scal instruments that may provide much required resources? Should its application be extended (as some experts suggest) to all government departments? Who should distribute the levy? Should its distribution be limited to the domain of workplace-based learning or extend to the full PSET system (or even the entire ET system)? (expert interview)

Such questions could suitably be considered and addressed in the unbundling of the *SD Act* and in relation to other legislation, inter alia by converting the current *SDL Act* into a *Human Resources Development Funding Act* that may or may not continue (what effectively is) the taxation of payroll for HRD/ET purposes, or consider other funding mechanisms along with other distribution mechanisms to ensure that the PSET system (and the public pre-schooling and schooling systems) are adequately resourced to be able to address national inclusive development needs and poverty, inequality and unemployment (compare Recommendation 13).

## 3.3 The Continuing Education and Training (CET) Act

### 3.3.1 Origins, conception and development

The Continuing Education and Training Act (CET Act) was originally called the *Further Education and Training (FET) Colleges Act* (Act 16 of 2006) which was renamed by means of the *FETC Colleges Amendment Act* 2013 to be called with effect of 2014 the *Continuing Education and Training Act*. The renaming gave expression to the broader application of the Act, extending now to adult education and training (ABET) (and repealing the ABET Act of 2000), the renaming of FET colleges to technical and vocational education and training (TVET) colleges, and to make provision for the establishment of community education and training colleges, i.e. community colleges. The *CET Act* (or as it was called in 2006, the *FETC Act*) was the successor to the *FET Act* which had been developed in keeping with the 1998 *Education White Paper 4: A Programme for the Transformation of Further Education and Training* sponsored by the Department of Education (DoE).

In the original education policy framework of the ANC and later in new education policy of the democratic government post-1994, further education referred specifically to education that follows the General Education Certificate (i.e. NQF level 1 or School Grade 9) and leads up the NQF level 4 or School Grade 12

what was then referred to as the future Further Education and Training Certificate, and now comprises the NSC and NCV.

Understanding the problem of poor provision of the first ten years of compulsory schooling (now Grade R to 9) for the majority of black South Africans at the time, and the way this impeded achievement in senior secondary schools and the ability to qualify at Standard 10/Grade 12 with a 'matric', and continue into higher education or the world of work, the original policy framework was geared precisely to provide for "a qualitatively different post-compulsory [post-Grade 9/NQF level 1] education and training structure which addresses personal goals, social development and economic empowerment within a sustainable development context" (ANC, 1995: 121).

This was spelled out in the *Education White Paper 4* as follows:

*"FET will include learning programmes that will be registered on the National Qualifications Framework from levels 2 to 4 and that will correspond with the present Grades 10 to 12 in the school system and N1 to N3 in the technical college system.*

*When fully developed, the new FET system will provide access to high-quality education and training within a differentiated system that will offer a wider range of learning options to a diverse range of learners, including school-going young people, out-of-school youth, young adults and the larger adult population." (Education WP 4: 8)*

Thus, the long-term goal of the original FET policy framework was to develop a successful FET system which would:

- "Provide diversified programmes offering knowledge, skills, attitudes and values South Africans require as individuals and citizens, as lifelong learners and as economically productive members of society";
- "Provide the vital intermediate to higher-level skills and competencies the country needs to chart its own course in the global competitive world of the 21st century"; and
- Transform and widen "participation in FET [to] also include working adults and those of our people experiencing long-term unemployment".

It would thereby address:

- "The inherited poor quality, the lack of relevance of much of schooling and the collapse of the youth labour market [which] are critical social, economic and educational problems facing our young democracy"; and;
- the threat of many young people being "at risk of being permanently unemployed and forced to eke out a living on the margins of society" (DoE, 1998: 14-15).

### 3.3.2 A historically binary landscape of further education provision

In the wake of the 1998 *FET Act*, in order to provide FET/CET, any existing or new institution wanting to do so within the portfolio of the Minister of Education or a provincial MEC, was required to be declared an FET college. This was determined against the recognition that the inherited provision of FET “takes place in a multiplicity of institutions, such as senior secondary schools, technical schools, finishing schools, technical, community and youth colleges, public adult learning centres, non-governmental organisations, training trusts, regional training centres and private providers that deliver training funded by the DoL and private, for-profit colleges” (DoE, 1998: 26).

The new institutional landscape of post-Grade 9 would therefore include a new group of institutional providers called FET colleges alongside senior secondary schools (governed by the Schools Act). In terms of the NQF, senior secondary schools fall within the FET band (i.e. NQF levels 2-4). However, it was not seen to be feasible or cost-effective at the time to do a formal institutional separation between the senior and junior phases of schooling (DoE, 1998: 28). The progression from Grade 9/GETC at NQF level 1 towards the FET Certificate/NSC (Matric) or NCV at NQF level 4 would therefore be provided by an essentially binary system:

- senior secondary schools offering Grade 10-12 to issue in the NSC, and;
- FET colleges for which curricula and qualifications would be developed and introduced progressively (DoE, 1998: 29).

In keeping with SAQA requirements, FET qualifications would comprise three basic components, i.e. fundamental knowledge and skills such as language and communication skills, life skills and mathematical literacy, specific core knowledge and competencies required for the completion of a particular qualification, and elective learning opportunities. The FET college system would provide for ‘open learning’ and offer, in keeping with SAQA, “multiple entry and exit points and a diversity of learning programmes and qualifications to meet the varied needs of learners in different fields and at different stages of their lives” (DoE, 1998: 30). The programmes and qualifications would be designed in such a way so that learners would be able to specialise later in life and that exit qualifications such as the FET Certificate (i.e. the current NCV) will “provide a reliable and credible basis for selection and entry to HE and will provide employers with a realistic profile of a learner’s knowledge and competencies” (DoE, 1998: 31).

The primary responsibility for quality assurance would rest with FET providers themselves, but external validation (in keeping with SAQA legislation) would reside with a quality assurance council. This quality council was eventually established as Umalusi by means of the *General and Further Education and Training Quality Assurance Act* (Act 58 of 2001) and made responsible for standards and quality assurance not only for FET college provision but in an integrated way for all learning programmes and qualifications offered at NQF levels 1-4 whether in the schooling sector or the technical and vocational education and training sector.

### 3.3.3 Consolidation of public technical and vocational education and training provision

Major developments in the FET and ABET or, as it is called now, the Continuing Education and Training policy space impacted on the consolidation of provision in recent years:

Firstly, in keeping with the *FET White Paper of 1998* and the *FET Act*, 50 public TVET colleges operating across South Africa were created by 2002 from mergers of 152 technical colleges with other technical colleges, colleges of education and/or manpower training sites. In 2002, FET colleges had 166 college campus sites, as well as a number of smaller satellite campuses, and enrolled approximately 140 000 students (full-time equivalent; ca. 400 000 headcounts<sup>8</sup>).<sup>9</sup>

Secondly, the conclusion of the long NQF implementation review (see above) issuing in the *Joint Policy Statement by the Departments of Education and Labour* (DoE-DoL, 2007), the promulgation of the *NQF Act of 2008*, the establishment of the OQSF and QCTO, and so forth, provided a way of clarifying various vocational and occupational qualifications-related matters. Particularly notable is the introduction of NCV programmes in 2007 for which FET/TVET colleges have become the major provider. For over 40 years, technical colleges had offered NATED 191 (N1-N6) programmes as a recognised route to artisan qualifications. The introduction of the NCV was designed to replace the NATED qualifications (1-3; at NQF Levels 2-4). After initial resistance by industry (and due to industry insistence, the continued provision of NATED N1-N3 programmes by FET colleges) some sectors (e.g. construction) have begun to acknowledge the NCV programmes as superior to the NATED qualifications.

Thirdly, after the national DoE was split into the DHET on one hand, and DBE on the other, a new opportunity was created for the development of an integrated post-school skills development system. This involved transfer of responsibility for the *SD Act* from the DoL to the DHET (see above), as well as the *NQF Act*, *HE Act*, *FETC Act*, and *ABET Act* (to mention the main ones) to the DHET, resulting in a number of legislative changes in the period since 2010 (see Figure 3 timeline).

Fourthly, the consolidation of FET provision prompted by the establishment of DHET further involved the transfer of FET colleges and their programmes from provincial into the national competence of the Minister of HET, thus removing another area of fragmentation in the technical and vocational skills development sector (cf. *FET Colleges Amendment Act 3 of 2012*). As provided for in the *PSET WP*, continuing education and training at the NQF Level 1-4 could thus become a national priority (along with curriculum, institutional, and policy changes to make the system more responsive to the needs of the country). The White Paper vision

8 HSRC (Cosser, M., Kraak, A., Winnaar, L.) (2011). *Further Education and Training (FET) Colleges at a Glance in 2010*.

9 Department of Education (2002). Quantitative Overview of Further Education and Training College Sector – The New Landscape. [http://www.gov.za/sites/www.gov.za/files/fet\\_overview\\_0.pdf](http://www.gov.za/sites/www.gov.za/files/fet_overview_0.pdf)



for the TVET sector includes rapid expansion in enrolments, curriculum reviews, and adjustments to the governance system. The transfer further included college staff so that all college lecturers would fall under the public service employment of the DHET (completed in 2015).

Fifth, the *FETC Amendment Act 1 of 2013 (FET Amendment Act 2013)* eventually renamed the public FET colleges to TVET colleges and made provisions for the establishment of community education and training colleges (or community colleges), as well as continued private provision of TVET by private colleges. The name TVET colleges was decided in line with the international conceptualisation of TVET's focus on knowledge and skills *for the world of work*, thus bringing South Africa's college system more in line with the international approach while also highlighting the distinctive nature of the programme mix and qualifications at colleges specialising in technical and vocational education.

Finally, the *FETC Amendment Act (2013)* also clarified the place of adult basic education and training (and related adult education and training centres) in the integrated post-school system, and specifically within the CET subsystem. With effect of 2014, Adult Education and Training Centres were to become community colleges (or CET colleges). In terms of the *CET Act*, both TVET and CET colleges can offer qualifications and part qualifications at levels 1 to 4.

### **3.3.4 Current developments and challenges in the CET Act regulated space**

The CET subsystem is absolutely critical for increasing access to core, intermediate, and high-level vocational skills for those marginalised and vulnerable, and for supporting the improvement of the overall skills base in the country. The *CET Act* sets in place mechanisms for access to skills development (broadly conceived) to transform people's lives and prevent people falling into poverty. TVET and community colleges are described as key actors for personal development, adult basic and further education and training and lifelong learning, and most importantly, for skills development in preparation for the workplace.

#### **3.3.4.1 CET is the key to reducing poverty, unemployment and inequality**

While we have argued that the notion of skills development applies across the entire formal education and training system (and includes non-formal skills development), we have focused our analysis more specifically on the post-school core, intermediate, and lower band of skills development in the PSET system. Provided that the CET subsystem in particular provides mainly for skilling at NQF levels 1-4, it has a very crucial role to play in a country where the majority do not have a matric level qualification (i.e. NQF level 4) and therefore cannot access higher education, and where even access to and success through basic education remains problematic. Only 14% of learners that start school are eligible for entry into a university, leaving the CET and the WPBL system with the remaining 86% (Van Broekhuizen, 2016). Moreover, as has been recently argued "while higher education contributes to development, and middle/upper class formation, it might not be an effective reducer of inequality" (Cloete, Maassen & Pillay 2017: 6).

In a context of high levels of poverty, inequality and unemployment, it is therefore imperative that the policy gaze turns to the CET subsystem and skills development provision at the crucial levels of NQF 1-4, as well as occupational and artisan training in the lower HE band of the OQSF, to make a substantial contribution to the ability of the majority of South Africans, and particularly youth not in employment, education and training (NEETs), to gain skills for employment and entrepreneurial activity, fostering sustainable livelihoods, and creating opportunity to allow progression to higher level TVET qualifications and HE if they so desire (compare Recommendations 5 and 9).

### 3.3.4.2 Expanding access with success, and funding CET provision

The *National Development Plan* and the *WP-PSET* envisage a continued, massive expansion of TVET college enrolments to reach 2.5 million by 2030. As has been argued in the recent GTAC performance expenditure review (PER) of the PSET system in general and TVET in particular, “without much faster economic growth [...] an increase in PSET spending to the level required by the WP would have to be financed through higher taxes” (GTAC, 2016).

At the same time, the GTAC PER reiterates a concern (previously noted in, for example, Perold, Cloete & Papier, 2012): namely, the low throughput and success rate. Meanwhile, “the model [to estimate the costs of achieving the enrolment goals of the DHET and NDP] demonstrates the crucial role of throughput rates in determining the cost-effectiveness of the sector” (GTAC, 2016: 5). In this regard, it is asserted that the funding formula for TVET colleges does not create sufficient incentives for improving efficiency and effectiveness. Based on this finding, the PER asserts that “ensuring that funding and performance measurement correctly align the incentives of colleges with the country’s long-term policy goals should therefore be a key focus area” (GTAC, 2016).

### 3.3.4.3 From CET into Higher Education

Given the large number of youths that do not have a matric or have a matric but do not meet the entry requirements for university, some have argued that the “restriction of TVET colleges to providing above NQF level 4 (i.e. higher education) qualifications has contributed to the problem of a substantial number of individuals not having a choice to progress” (expert interview)<sup>10</sup>. Taking an integrated view of the PSET system as a whole, a number of points must be considered.

Firstly, only in the post-apartheid era has the HE subsystem effectively managed to enrol now just under 20% of the 20-24 year old youth cohort, while also having become demographically more representative in terms of overall enrolments. At the same time, the HE subsystem has become more ‘efficient’ as improvements in throughput and graduation rates show. However, in the whole, the HE subsystem – while essential and requiring further expansion – is effectively that part of the PSET system that *reproduces* rather than transforms

<sup>10</sup> Presently 60% of TVET students are enrolled for programmes up to NQF level 4.

the entrenched social structures reflected in high levels of inequality, poverty and unemployment (e.g. Cloete, Maassen & Pillay 2017; GTAC, 2016).

Taking into account the recent amendments to the *HE Act*, especially the recognition of higher education colleges, there is new potential for HE to impact positively on inclusion. For this purpose, however, some issues require further clarification in policy and legislation:

- While the definitions of university, comprehensive university and UoT are clear, the more recent inclusion of university college and higher education college as institutional types needs specification. Currently they have the same and indistinct definition as “higher education institution providing higher education, but with a limited scope and range of operations and which meets the criteria for recognition as a higher education college as prescribed by the Minister”.
- Higher education colleges can make a valuable contribution to expand access to those marginalised, as well as upgrade the overall level of skilling in society, but in order to reach this potential their purpose and their relation to TVET colleges (as well as to ‘traditional’ universities, comprehensive universities and UoTs) needs to be defined clearly.
- If HE colleges are meant to make a contribution to *access to and success in* the HE subsystem, admission requirements to HE colleges could suitably be relaxed (to give access to specific bridging programmes and new kinds of learning programmes issuing in part-qualifications and qualifications) particularly for matriculants that have passed matric but failed to achieve a full university exemption. This would relieve the burden on universities to provide extended learning programmes and access programmes, and create a new access point into higher skills development, whether general academic, occupational or professional.

At the same time, the role of universities of technology (and comprehensive universities) in terms of providing learning pathways into and through higher education for TVET graduates, and in relation to the OQSF, is not clear yet. Collaboration between UoTs and TVETs should become mandatory.

While we agree that TVET colleges can and do play a role in contributing to the provision of post NQF level 4 qualifications, given the extent of the problem of high pre-matric dropout rates, poor matric passes, and low throughput rates in TVET colleges themselves, should we not be focusing on how legislation can be used and further strengthened to incentivise and support TVET colleges to become a provider of choice of vocational (and occupational) qualifications at NQF levels 1-4? The potential of NQF level creep by TVETs should be avoided (compare Recommendation 10).

#### 3.3.4.4 High-quality occupational qualifications: Artisan Development and WPBL

There is a long-standing policy concern to train bigger quantities and improve the quality of artisanal skills, while at the same time opening up more opportunities for young, black and women artisans to shift historical trends of unequal access and success (RSA, 1998). This is evidenced in a wide range of policy and initiatives aimed at improving and expanding the TVET system, improving the status of artisans to encourage more individuals to enter into artisanal training and employment, and to improve and streamline the quantity and quality of artisan data in the country. The DHET's concerted focus on this is most commendable (DHET, 2012a, b; DHET 2015c, d, e).

Learnerships, apprenticeships, internships and various kinds of occupational skills programmes all require WPBL (see above under *SD Act* analysis) incorporating practical exposure and training in a workplace setting as addition to the 'theoretical' education. While the learnership system provides a recognised occupational qualification achieved through structured institutional learning and applied competence developed through workplace experiential learning, they differ from the traditional apprenticeship in that they operate across all sectors and all skills levels (from NOF levels 1-8) not only at intermediate level, or artisanal skilling (Kruss et al., 2012).

DHET has recently drafted a policy framework on WPBL (2015b) which has resulted in much more clarity around the conceptualisation of WPBL where DHET asserts WPBL to be "an educational approach through which a person internalises knowledge, gains insights and acquires skills and competencies through exposure to a workplace to achieve specific outcomes applicable to employment" (DHET, 2015b). The framework goes further to summarise and categorise different forms of WPBL, the policy context and the roles and responsibilities of key role players. A useful distinction is between the types of WPBL that are required to achieve a qualification, to acquire professional registration and for the purposes of gaining workplace experience alone. This distinction draws conceptually from the idea that WPBL includes learning for work, learning at work and learning through work (see Figure 14 above).

The systemic review in Section 2, as well as the analysis of the *SD Act* has noted that WPBL should be better defined not only in policy but legislation, and regulated in a manner that ensures an abundant supply of work placement opportunities (see Recommendation 11). In this regard, an unbundled and focused successor to the *SD Act* (as recommended above) would need to regulate the link to CET provider institutions, and the *CET Act* may require amendment (e.g. in terms of governance arrangements) to cement the link to WPBL providers and stakeholders.

## Section 4

### Concluding summary

While the focus of this study is towards recommendations for legislative change, as acknowledged by many reviews of the PSET system, because of the myriad and sometimes conflicting imperatives, there are no simple solutions. These reviews include the report of the HRDC System Review Task Team of 2013, the comprehensive and systemic review of skills development and reports of the LMIP, and the report of the Ministerial Task Team convened by the DHET to assess and advise on ways to improve the functioning and performance of the SETAs (RSA, 2013). This is in addition to the comprehensive, credible and critical self-assessment of performance and progress provided by the DHET itself on the PSET. In short, there has been considerable investment of public resources in an extensive body research that is still relatively recent and provides many insights which we have drawn on in our review of post-school skills development legislation and our recommendations on ways to impact on the challenges of inequality, poverty and unemployment and the creation and equitable distribution of wealth.

In Section 1 of this report we provided an overview of the legislative frameworks and institutional arrangements that govern and provide for skills development in the PSET system, and argued that the vigour of legislative change in this sector provides the basis for a periodisation of the change, as presented in section 2, into three legislative periods: the period from 1994 to 2000 when the core of a post-apartheid, post-school skills development legislation was put in place; the period of 2001 to 2010 when the new legislative framework was consolidated in the process of the first phase of implementation; and the period from 2010 to the present when this initial post-apartheid legislative system is experiencing its largest overhaul yet, in the wake of the establishment of the DHET.

In the process, we indicated what the 'core' of this legislative framework, and thus the source of the core legislative mandate of the DHET, was in 2009 and how this has changed to include now the *NQF Act*, *Continuing Education and Training Act* (previously *FET Colleges Act*), *HE Act*, *NSFAS Act*, *ABET Act* (since repealed), and the *SD Act* and *SDL Act*. It is primarily by means of these Acts, subsidiary regulation and guiding policy, that the DHET is given the mandate and authority to address the skills challenge in South Africa.

This challenge as we show is, on the one hand, a legacy of racist apartheid skills development policy; it is also increasingly an indictment of the ability of the democratic government to use legislation as a lever of change to effectively redress this legacy. Against this, we outline the complexity of the skills development challenge in South Africa and paradoxical nature of skills demand and supply, the seriousness of the unemployment challenge and the promise of skills development. In the process we also credit DHET for having established itself rapidly (since 2009) to focus on key blockages in the system and having put in place the building blocks for an integrated, coordinated national PSET system, as envisaged in the WP-PSET.

Section 2 reports on our systematic analysis of the skills development policy system (including legislation, policy and strategic plans/frameworks that deal directly and indirectly with the production of skills). It shows from the goals analysed in legislation and policy texts that the policy system overall places most emphasis on the responsiveness to, and relevance of skills development for the labour market, and less so to goals related to equal opportunities and redress, poverty, inequality and unemployment, or to specific priority target groups of skills development such as those youths who are not in employment, education and training.

The development of community colleges emerges frequently in the analysis as one of the key mechanisms by which the formal PSET system seeks to target vulnerable groups for skills development and those that may be unable to access other providers, like adult learners; community college-related policy and legislation is also one of the few places in the policy system, where reference is made to non-formal skills development, livelihoods (rather than employability), and where engagement with a wider range of actors is encouraged such as close partnerships with local communities and their participation in governance towards a more inclusive skills development system, for example.

The systemic review closes with the analysis of the focus of the 'policy gaze' in skills development, the emphasis respectively placed on core skills development as against intermediary skills and high-level skills. It finds a disjuncture between the skills policy system and the skills provisioning emphasis as against the actual skills needs in society whereby the skills policy system emphasis is clearly on intermediate and high-level skills; this is juxtaposed with the skills level of the majority of the unemployed (and those in employment). A second overarching finding from the review is that the policy system overall fails to prioritise actual provision of skills and rather emphasises the establishment, functions and operation of entities and structures that essentially play a supportive role (e.g. in terms of advising, planning, governing and quality assurance).

These two overarching findings of the systemic review are replicated in the focused analysis of three core pieces of PSET-SD legislation in Section 3. In addition, the analysis there showed that the original policy intent, as articulated in 1994 ANC Education Policy Frameworks and early White Papers, was directed explicitly at the transformation of the skills development system in a way to redress disadvantage, target and include previously excluded and vulnerable groups, and address poverty, inequality and unemployment in a concerted manner. Certain findings from the case study of the *NQF Act* show the early departures from the original intent, and eventually a bureaucracy becoming so focused on the 'technical' minutiae that it lost the bigger picture, particularly as far as skills development at the crucial core and intermediary skills levels (NQF 1 to 5) are concerned. In this respect, the bundling of PSET sector responsibility under the DHET was perhaps a small mercy.

Our case analyses in Section 3 focuses specifically on ways legislative change may address poverty, inequality and unemployment. In the process we highlight departures from the original policy intent, as well as recent

returns under the DHET that are closer to the conceptualisations of a PSET system as intended, than as it developed in the implementation and consolidation period between 2000 and 2010.

Firstly, there is need to foster the consolidation and improved coordination of the emerging PSET system, particularly with focus on formal occupational qualifications. Essentially the recommendation here is to unbundle and rename the *SD Act* to reflect its purpose better, remove reference to 'skills development' that suggest a narrow conception (and thereby also pave the way for a broader use of skills development funding), assist to clarify the relations between the subsystems (i.e. CET, occupational, HET) and particularly foster the inclusion, regulation and institutionalisation of WPBL within the PSET system as recognised by the *WP-PSET* as an issue. This should also provide for a distinct yet integrated regulatory framework governing trades and other occupational qualifications. The recommendations for the *NQF Act* also fit here in that a more flexible NQF (and clarity as to the OQSF and the relation between QCTO, Umalusi and CHE/HEQC) would support better articulation at NQF levels 1-4 and into NQF level 5 and beyond, which is a key blockage to progressions and articulation.

Secondly, there is an argument to be made with respect to skills development funding and particularly the funding of CET expansion and WPBL. The *SDL* and *NSFAS Acts* may be combined into a single *PSET Funding Act* or *HRD Funding Act*. This aligns well with other suggestions to simplify the system, as well as promoting the notion of skills development as a function running across the PSET system. However, closer analysis of these Acts and related policy will be required.

Thirdly, improving the quantity and quality of WPBL will not happen from a renaming and focusing of the *SD Act* and removal of provisions that fall outside of WPBL, the OQSF, QCTO, NAMB etc., and rethinking the place and functions of NSA and SETAs alone. While this would contribute to improving coordination and coherence across the PSET system and the provision of skills through occupational and WPBL, it will require some careful consideration of whether what has been referred to in the systemic review as 'contextual policy and legislation' may not also need to be considered, particularly as far as WPBL provision in the public sector is concerned, and the role of government departments at all levels, public entities and SOEs, along with other actors such as co-operatives. Legislating requirements for providing WPBL in the renamed and unbundled *SD Act* and applicable legislation may remove a major bottleneck in occupational skills development. Conversely, those provisions in the current *SD Act* that concern themselves with human resource development planning and advice, could be consolidated in a *HRD Planning Act*.

Fourthly, as we have argued based on our birds-eye view of legislative change over the last twenty years, too much of the policy gaze has been on higher education. Meanwhile, this is the subsystem that has the least potential of transforming the social structure of poverty and inequality, notwithstanding its essential functions in high-skills development, knowledge production, and thus the need for continued expansion

of the HE sector as proposed by the NDP. Our argument has been that with cognisance to the large number of students who do not gain a Grade 12/NQF level 4 qualification that allows them automatic access into HE, expanding access to HE, particularly for those from disadvantaged schooling backgrounds, and creating better articulation within the PSET system overall and the HE subsystem, are paramount. If higher education colleges are a distinct institutional type, their roles could suitably be amended to provide (1) access to the HE band of vocational and occupational qualifications for NCV and NATED 3 graduates, and (2) an alternative access route into universities (and thus academic and professional learning programmes) for NSC matriculants who passed matric but failed to gain automatic entry into a desired higher education programme. Moreover, even once in the HE subsystem, inter-institutional mobility of students enrolled in the same degree and discipline is severely difficult, *inter alia* due to the diversity of curricula (and 'residence clauses' that effectively prohibit freedom of movement of students, which may be considered to infringe on students' constitutional rights). Another problem is faced by students who may want to articulate from vocational or occupational into professional learning programmes. It seems clear that the NQF, without legislative or at least regulative intervention, may not provide such articulation as initially intended. This then provides a potentially critical space for legislative improvement, where the requirements for admission need to be carefully defined and considered in relation to the purposes of such institutions.

Fifth, the problem of articulation and progression is not only the bottleneck into HE and along and across different learning pathways in the HE band, but there is a similar and perhaps even more severe problem at NQF level 4 and below, which has been referred to in expert interviews as the 'zig-zagging' of students through the NQF. The original conception of an integrated post-school system in ANC policy of 1994 emphasised (what is now) Grade 9 or the GET Certificate, and conceived of the further education and training band in binary terms of a general/academic pathway and a technical/occupational pathway by means of two distinct types of providers: senior secondary schools and FET/TVET colleges. The extreme public hype around the 'matric' (the results of which annually lead to shattered futures and even suicides!) needs to be moderated and much more emphasis must be put on Grade 9/NQF level 1, and a choice between two equally attractive post-Grade 9 options: joining a TVET and gaining technical, vocational and general skills and potentially attractive employment prospects and future higher learning options; or continuing in the schooling sector and completing up to Grade 12. One part of this is designing attractive NQF level 2 and 3 certificates (that offer credible vocational and occupational exit qualifications), as well as an NCV that is as 'prestigious' as the 'matric'. Another part is to ensure that there is sufficient 'simplicity' and public awareness so that the vocational and occupational route becomes a pathway of choice, rather than a second-best or even choice of last resort.

Finally, a theme running across the legislative analysis has been (what we have called) the 'institutional sprawl' in the PSET-SD regulatory space, referring to the numerous authorities, bodies, etc. that are *not directly involved in skilling* but have advisory functions and/or functions related to funding, governance, planning, quality assurance, and so forth. Simply from a resource point of view, one ought to ask whether every Rand



spent on a 'CEO', her or his secretary, a 'council or board member' and all the bureaucracy that goes with it, is worth the Rand spent less on the potential learner who is excluded from skills development or the building of a campus in an underserved area that is postponed, particularly if we aim to use skills development legislation as a lever of change to change the lives of the poor, unemployed and underemployed. The systemic review in Section 2 equally confirmed that much (if not too much) of the skill policy system and its sub-goals focuses on *improving the structures and institutions for skills provisioning* as opposed to *actual skills production*. An overarching recommendation from the evidence presented in this report is therefore that the legislative framework over the next few years needs to play a much bigger role in enhancing the quantity and quality (*not* quality assurance!) of *actual provision*.

It is against these findings that we propose an interrelated set of recommendations for using legislation as a lever of change to impact on poverty, inequality and unemployment.

## Section 5

### Summary of recommendations

#### 5.1 Responding to the South African skills development challenge

Skills development must respond to the twin challenge in the South African economy which involves participating in a globally competitive environment that requires a high skills base and a local context that creates low-wage jobs to absorb the large numbers who are unemployed or in vulnerable jobs. Unfortunately, this paradox has been interpreted in skills policy similar to the way in which the relation between economic growth and inequality has been conceived – that investments in higher education would have a trickle-down effect for growth, inequality and unemployment.

While there is a need for continued investments in a differentiated higher education system, which contributes high-level skills development and knowledge production, drawing on the new evidence base established through this project, we argue that a greater impact on poverty, inequality and unemployment, which mostly affects persons who have not yet achieved an NQF level 4 qualification, can be made by stronger focusing on quality lower NQF level qualifications (1–4), both as goals in themselves, as well as a pathways into high skills general/academic, professional and occupational qualifications. Skills development must be focused not only on employability but result in a qualitative change in the lives of South Africans, fostering holistic human development, capabilities for sustainable livelihoods, and self-employment (and entrepreneurship) along with employment. It must also be accompanied by improved linkages between provider institutions, legislated WPBL, rationalised regulatory arrangements, and more flexibility for access to, articulation and progression in the NQF, and particularly unblocking bottlenecks at NQF level 4 and into qualifications in the higher education band (both the general academic and occupational pathways).

#### **Recommendation 1: Prioritising skills development**

Skills development is a necessary, but not sufficient condition for addressing poverty, inequality and unemployment. Thus, investments in PSET in particular, including workplace-based learning (WPBL) and non-formal learning, have to be considered alongside policy changes in macro-economic policy, industrial policy, and basic education, in order to reduce unemployment, inequality and poverty. As noted by others, skills development might be secondary to economic policy which contributes to low growth performance and an inability to engender strong redistributive outcomes and employment gains in South Africa (Bhorat et al., 2014; Bhorat et al., 2016). Bearing in mind this framing and limitations, we argue that *investing in PSET, in addition to investments for better learning outcomes to basic education, is a fail-safe policy to impact positively on poverty reduction and prevention, lowering inequalities, and access to and outcomes in, the labour market.*

The *WP-PSET* (2014) maps out a new vision for the post-school system. There is significant expansion of the PSET system at all levels (in keeping with targets in the *National Development Plan*), but particularly at the level of the vocational part of the system (even if the focus of the current MTEF is on improving throughput/quality rather than nominal access and expansion). In addition, the DHET is currently developing the implementation plan (*National Plan*) for PSET and amending legislation and policies in line with the WP-PSET. It is likely that we will see further amendments to legislation, and new legislation, to facilitate the effective implementation of the WP-PSET. Since the creation of DHET, the PSET policy system has undergone fast change. Overall, the DHET can be credited with having identified many existing bottlenecks in the system, diagnosing the problems and seeking new ways of addressing them. The recommendation here would be to continue to support the DHET at the level of enabling legislation and resourcing, engaging deeply with the forthcoming *National Plan for PSET*, in support of DHET's efforts to develop an effective and efficient skills development system, and the formal PSET in particular, that is responsive to the South African skills challenge.

**Recommendation 2: Explicitly setting out the policy goals of reducing poverty, inequality and unemployment in skills legislation**

The national policy system has to drive skills development that addresses the skills needs of all, and especially of vulnerable and marginalised social groups: young people with complete or incomplete formal schooling who are not in employment, education and training (NEETs), workers in the informal economy, adult workers and work seekers, and disadvantaged groups in general. The new education and training policy framework put in place by the democratic government in the course of the 1990s was clear in its intentions and language by embracing a deliberate redress agenda. The time has come to revisit this redress agenda and set new policy goals that explicitly target a wider set of actors, stakeholders and processes to be able to effectively address the triple challenge. As these are not often explicitly set out in legislation, this has led to poorly-identified target groups. In addition to explicitly stating the policy intent and key target groups, legislation must include an indication of resources and the proportion of resources that will be allocated to these groups. These systemic silences limit the contribution that skills development legislation and policy can make towards addressing economic, social and developmental concerns. Alignment between the policy goals recognised in legislation and policy and active mechanisms (policy instruments) assigned to ensure that these goals foster effective implementation. Conversely, poor recognition of explicit policy goals at legislative and policy level translates into poor implementation of general policy intent.

**Recommendation 3: Explicitly identifying target groups of skills development**

Our systemic review of legislation and policy illustrates a strong emphasis on previously disadvantaged groups (especially black South Africans), youth and women, and expectedly so, learners and students. Reference to certain vulnerable groups such as people with disabilities, women and black persons, appear almost always together with terms like learners and students. However, if the policy system seeks to directly

address poverty, inequality and unemployment, then it should include in its definition of target groups *specifically* those that have been and continue to be marginalized from the system or are struggling to access the formal system: *youth not in education, employment or training, poor black rural and township communities, rural black women, and so forth*, which can then be more expressly targeted as vulnerable groups, and targeted policy mechanisms can be designed to reach them and provide them specifically with access to skills development (e.g. regarding the location of new campuses, institutional differentiation, and special needs provision). In addition to explicitly stating the target groups, legislation must include an indication of resources and the proportion of resources that will be allocated to these groups.

## 5.2 Shifting the policy gaze

### **Recommendation 4: Shifting the policy gaze from regulation to provision and outcomes**

It is absolutely critical for addressing the triple challenge that PSET legislation shifts from its focus on governance, advising, planning, funding, quality assurance and standard setting for instance, towards *actual provision of skills*. Our research finds that the sprawl of regulatory institutions may have led to slow pace of change. The over regulation and bureaucratisation of the system may be impeding rather than facilitating skills delivery. In brief: Institutional sprawl has led to implementation crawl.

The first principle here is to be guided away from a complex and over-crowded legislative and regulatory field (and related and overlapping authorities). There is excessive complexity in the skills development system overall, which must be simplified and efforts to rationalise regulatory institutions (e.g. related to planning, advising, and quality assurance) need to be considered seriously (see recommendations below). Moreover, the complexity and lack of flexibility creates severe difficulties and disincentives for key stakeholders (such as SMMEs) to participate in skills development (e.g. WPBL provision), and in communicating the opportunities in the PSET system to the wider population, and for specific marginalised target groups being able to understand, access and succeed in PSET.

The sheer number of bodies that have some role in relation to quality, for example, has reached unsustainable proportions (they include, inter alia, SAQA, CHE/HEQC, Umalusi, QCTO, 21 SETA, 93 professional bodies, NAMB, SAIVCET, and so forth). At the same time, provider institutions have internal quality assurance responsibility, and there should be a professional ethic of educators and assessors. The principle should be one of subsidiarity and accountability: Once a system has been developed and is settling down, the emphasis should be on the central monitoring of decentralised self-regulation and related accountability. Similarly, the number of bodies with planning, monitoring and/or advisory responsibility is excessive. They include, for example, NSA, HRDC, along with SAQA, CHE/HEQC, SETAs, skills development forums and so forth. There is need to consolidate and rationalise this system and, for example, centralise the planning of human resource development at a level where it can ensure policy and implementation alignment across government departments (see specific recommendations below).

### **Recommendation 5: Shifting the policy gaze to emphasise both higher education and continuing education and training**

The higher education system has expanded to a level where it is now 'massified' and provides learning opportunities for close to 20% of the 20-24 year age cohort. Conversely, the vast majority of the same age cohort (80%) do not successfully participate in higher education, and the number of youth in general who are not in employment, education and training (NEET) is huge and growing. Our research shows that currently the skills policy system has a greater emphasis towards facilitating the production of higher and intermediate level skills than on core competence<sup>11</sup> and employability skills. Historically, the policy system has focused on developing higher-level skills, which we know to have limited reach and impact on reducing inequalities. *The system needs to become better aligned to focus on the needs of the majority of our society (especially the vulnerable and marginalised).* We thus recommend a further strengthening of the policy emphasis on the Continuing Education and Training (CET) subsystem, i.e. skilling at Community and TVET institutions and focus more towards occupations, trades and WPBL, especially at FET and lower HET levels, alongside general/academic and professional HE.

What is critical for this recommendation to be successful is a simultaneous process to ensure that TVET institutions and the suite of occupational qualifications and WPBL provisions are attractive and have parity of esteem in society. Critical pre-requisites are improved throughput/success rates and achieving closer links with workplaces (see recommendation related to WPBL). A further proposal is to more effectively communicate the value of technical, vocational and occupational qualifications, offering improved career guidance at basic education level (pre-Grade 9), and considering legislating a 'soft' binary post-Grade 9 provision of further education (if this was to become compulsory).

### **Recommendation 6: Providing for a wider set of actors to participate in skills development**

New/different or more actors are needed to better address the skills needs of vulnerable and marginalised social groups by connecting, translating and facilitating the flow of information on skills needs of these groups and the types of skills development provision that is needed. Where there is a lack of suitable skills development providers, the actors that may have the necessary expertise (e.g. NGOs, extension officers) may also provide skills development, to address the gap. They are thus critical actors for the policy system to support if we are trying to move towards a more inclusive skills development system.

When we explore the extent to which such actors (for example, NGOs, CBOs, co-operatives and SMMEs) are included in governance structures or receive support in providing skills development, we find that the legislation and policy documents emphasise mainly the role of communities and community-based

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<sup>11</sup> These are, for example, literacy, numeracy, communication, teamwork, problem solving and other relevant skills. The types of skills that are critical building blocks for further development and overall and learning ability, as well as the ability to adapt to change.

organisations. There is much less emphasis on and recognition of the role that small and medium businesses can play in skills development, however, they are an important focus for promoting employment amongst youth. There thus appears to be a gap in the recognition of such actors in skills legislation, as well as promoting the sharing of responsibilities for skills development and promoting skills as an integral part of broader policies.

Related is also a more comprehensive consideration of the role that private providers can play in reaching vulnerable and marginalised target groups and serving their skills needs, be it at lower, intermediate and higher skills levels. The overall expansion of the PSET system must harness the role of private providers, ensuring their accountability and quality of provision, while enabling private providers to play a role complementary to that of public providers. In this respect, it is welcome that high-quality private higher education institutions that fulfil certain criteria may be allowed to call themselves universities. These criteria may suitably include requirements to make their learning programmes accessible to identified target groups.

### 5.3 Simplifying complexity and fostering flexibility

#### **Recommendation 7: Recognising the NQF as overarching framework**

The NQF provides for an overarching organising framework and legislation that covers the entire education and training system in South Africa. Creating a popular understanding of the NQF – e.g. levels of qualification, qualification nomenclature, RPL, articulation and progression, pathways of learning, related provider institutions, and so forth – is imperative.

After twenty years, most people are only familiar with a small subset of qualification types, such as the National Senior Certificate (or, in common language, 'matric'), and certain higher degree names (such as the 'bachelor', 'masters', and 'doctoral degree'), and even fewer regulatory entities (except perhaps 'Umalusi') are popularly known. Naming qualifications in a manner that is easily understandable, especially on the new OQSF (beyond the technical terms such as 'occupational certificate level 4'), will greatly enhance the popular (and industry's) understanding of the NQF, the relation between qualifications (including articulation and progression) and the respective roles of provider institutions and regulatory entities across the PSET system. Overall this requires the further development of OQSF qualifications and certificates in a manner that is simple and easy to understand.

#### **Recommendation 8: Creating more NQF flexibility, multiple exit and entry points, and a student-centred system**

Legislative intervention may be required to ensure better articulation, progression and student mobility (across bands, within bands, and across learning pathways). The principle here is to be guided by a learner/student-centred perspective (rather than received NQF orthodoxies e.g. in terms of quality assurance, etc.). The lack of flexibility in the NQF (e.g. regarding multiple exit points) has severely negative implications for

students and may contribute to increasing the numbers of incomplete qualifications ('drop-out rate'). NQF flexibility must be legislated to require multiple entry and exit points, including provisions that achieved learning outcomes can be certified at a lower level of the NQF if a student fails to achieve all learning outcomes for the level he or she originally was registered for. For example, a PG Dip must be awarded where a student registered for a coursework Master's degree has achieved all NQF level 8 requirements, but failed to fulfil all the requirements (such as the dissertation component) for an award at NQF level 9. The principle of student-centeredness involves that it is better to gain a lower qualification than no certified recognition of achieved learning outcomes at all.

Similarly, NQF flexibility and the principle of student centeredness should guide a comprehensive review of SAQA regulations, as well as institutional rules that impact negatively on access, articulation and progression. Another case in point are rules such as institutional 'residency clauses' and the like, which proscribe inter-institutional student mobility (such as the actual freedom of students to move residence from one province to another and register to complete a qualification at a different institution). It should be clear that a constitutional right (to choose your place of residence) must have priority over institutional autonomy. In this regard, there may be need to come to an agreement on certain 'core curriculum elements' even at HE level.

#### 5.4 Unblocking bottlenecks and focusing on provision

##### **Recommendation 9: Creating NQF level 1 (Grade 9) as certified exit point and the binary provision of post-NQF level 1 skills development**

The original conceptualisation of the NQF put emphasis on NQF level 1 (GET Certificate; Grade 9) as first exit point marking the completion of compulsory schooling. The NDP proposes the extension of compulsory education from ten to thirteen years (from Grade R to Grade 12). It may be necessary to introduce a national assessment at Grade 9 that results in a General Certificate (as originally envisaged) and thus a comprehensive, comparable assessment of learner achievement to this point. This will be able to guide parents and learners to consider much earlier options for progression along a general/academic learning pathway (in the schooling sector, towards the NSC) or a technical and vocational, or occupational learning pathway (towards progressive levels of NCV or specific occupational certificates).

In this respect, it may be necessary to explicitly legislate the binary post-Grade 9 (post-NQF Level 1) provision of (future compulsory) further education in terms of a general/academic pathway, a technical/vocation and occupational pathway, and with respect to different types of provider institutions, i.e. senior secondary schools, TVET colleges and other providers involved in technical/vocational and occupational learning. Overall, this may go a long way towards addressing learners' 'zig-zagging' through the NQF insofar as less academically/more vocationally or technically inclined learners can be identified earlier and be provided with attractive learning paths where talents can be enhanced and skills development fostered through NQF/

OQSF levels 2-4 and beyond, as part of an effective and efficient PSET system. This also involves that a set of valued and valuable vocational and occupational qualifications are designed along with national core curricula (NQF 2-4) that can articulate with an equivalent set of generic learning outcomes in the schooling sector (Grades 10-12). Furthermore, it requires a massive expansion and legislated provision of WPBL (see recommendation below).

### **Recommendation 10: Improving access to, and success in higher education**

There is a large number of youths that have a matric, but do not meet the entry requirements for university. With a focus on inclusion, these are key target groups for intermediate to high-level skills development. Taking into account the recent amendments to the HE Act, especially the recognition of higher education colleges, there is new potential for HE to impact positively on inclusion. For this purpose, however, some issues require further clarification in legislation insofar as university college and higher education college as additional institutional types have the same and indistinct definition as “higher education institution providing higher education, but with a limited scope and range of operations and which meets the criteria for recognition as a higher education college as prescribed by the Minister”.

Higher education colleges could make a valuable contribution to expand access to these target groups, as well as upgrade the overall level of skilling in society by having lower admission requirements and providing specific bridging programmes and new kinds of learning programmes issuing in higher education ‘access qualifications’ (such as the Higher Certificate provided on the South Campus of the University of the Free State). This would relieve some of the burden on universities to provide extended learning programmes and access programmes, and create a new access point into upper intermediate and higher skills development, whether general/academic or occupational/professional.

At the same time, the role of UoTs (and comprehensives) in terms of providing learning pathways into and through higher education for TVET graduates and those with occupational certificates is not clear yet. While, on the one hand, we agree that TVET colleges play an important role in the provision of post-NQF level 4 qualifications, on the other hand, given the extent of the problem of high pre-matric dropout rates, poor matric passes, and low throughput rates in TVET colleges themselves, should we not be focusing on how legislation can be used and further strengthened to incentivise and support TVET colleges to become a provider of choice of technical, vocational, as well as certain occupational qualifications at NQF levels 1 to 4 (and limiting TVET post-NQF level 4 provision to a very clearly defined sub-set of occupational qualifications)? The danger of NQF level creep by TVETs (as has happened since *technikons* were allowed to offer the BTech and thereafter) should be avoided.



### **Recommendation 11: Legislating the provision of WPBL**

A key problem with respect to occupational learning programmes is the availability of quality WPBL opportunities, the provision of which is not institutionalised. As it is with respect to other subsystems in the ET system, where there are both public and private providers, the provision of WPBL should be seen to have a public component and a private component:

- (1) Public providers of workplace-based learning experiences potentially include all national, provincial or local government departments and all other public entities; as well as state-owned enterprises;
- (2) Private providers of workplace-based learning experiences potentially include all private sector employers of various kinds, be that large corporations, SMMEs, or cooperatives, NGOs and trusts (who have an appropriate minimum number of qualified employees to provide WPBL facilitation);
- (3) In addition, consideration should be given to development of WPBL centres that 'simulate' the workplace and, where occupationally appropriate, even create 'virtual' workplace-simulated environments.

Given the size of the public sector in particular, and of state-owned enterprises, there is a huge opportunity to legislate and therefore institutionalise WPBL here, along with corresponding regulations for the private sector.

Legislation could, for example, require employers (in the public and private sectors) to provide a minimum number of WPBL opportunities per number of employees with a certain minimum level of qualification. It could require employers to identify qualified employees to act as WPBL facilitators and for this purpose, support them to undergo regular training to be able to better facilitate WPB-learning and assessment (to develop into something akin to the notion of 'master artisans'). The provision of WPBL, as well as the training of WPBL-facilitators, should be incentivised by means of funding instruments (e.g. SD levy or its successor) and the lack thereof disincentivised by means of penalties. With WPBL opportunities being legislated in this manner, public and private sector employers, occupational learning providers, and TVET/community colleges will have a strong interest in establishing and maintaining strong linkages. In this way, every workplace will become a training space.

### **Recommendation 12: Unbundling and renaming the SD Act**

Currently, the *SD Act* includes provisions for skills planning, governance, funding and quality assurance, as well as actual skills provision that include a WPBL component. There are good reasons for 'unbundling' and renaming the *SD Act* and focusing it on provision and related matters, while removing functions that are beyond that focus.

The core focus of an unbundled and renamed successor act to the *SD Act* should be actual *provision* so as to be able to address unemployment, inequality and poverty by means of legislative intervention in occupational and workplace-based skills development *directly* rather than indirectly. This may address a point frequently

made by experts that SD work must be *institutionalised*. It may also address the current concerns noted by experts about the skewedness of PSET provision (in terms of the proportion of opportunities and outcomes in low, intermediate and high-skills development). An unbundled and renamed *SD Act* could be called, for example, *Occupations, Trades, Professions, and Workplace-based Education and Training Act*.

### **Recommendation 13: Creating a Human Resources Development Act**

Those provisions removed from the unbundled and renamed *SD Act* that relate specifically to skills planning and advice could be consolidated by means of a *HRD Act*. This provides an opportunity to rethink and revise the institutional arrangements involving various bodies with HRD-related planning and advising functions, such as the HRDC, NSA, SETAs, SD Forums, etc., and rationalise their functions. Consideration may need to be given as to which planning functions will need to remain within DHET and which functions may need to be coordinated at the level of the Presidency/DPME.

Related to this, the review of the *SDL Act* planned by the DHET will need to reconsider the conceptualisation, collection and disbursement of the current SD levy. Similarly, the *NSFAS Act* may also require reconsideration. Broader questions may need to be asked, not the least in light of the student protests in the HE and FET sectors since 2015: Who is meant to pay for skills development (both broadly conceived, as formalised and institutionalised HR development across the entire ET system, the PSET system in particular, and/or with a particular focus on WPBL)? Is the current SD levy-grant system an appropriate tool, or are there other (additional or alternative) fiscal instruments that may provide much required resources to facilitate the *NDP*-proposed expansion? Should the collection of the SD levy be extended to government departments? Who should have authority to decide on the distribution of the levy (which essentially is a tax)? Is NSFAS the best (fiscal) tool to facilitate access to skills development for the poor (and missing middle)?

Such questions could suitably be considered and addressed in the process of unbundling the *SD Act* and must be considered in relation to other legislation (especially the *SDL Act* and the *NSFAS Act*). The planning and funding part of the unbundled *SD Act* could be incorporated into a new *Human Resource Development (Planning and Funding) Act* to ensure that the skills development system is adequately resourced for addressing national inclusive development needs and reducing poverty, inequality and unemployment.

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<sup>12</sup> Please refer to Appendix 1 for a complete list of all the Acts and Policy documents included in this analysis.

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Appendix 1: The legislative and policy framework for the production of skills in South Africa

Department	Laws/ Acts1[1]	Policy/ White paper2[2]	Strategies and strategic frameworks
	<b>Intent</b>	<b>Operationalisation</b>	
Department of Higher Education and Training (DHET)		White Paper for Post-School Education and Training (2013)	Human Resources Development Strategy for South Africa 2010 - 2030 (HRD-SA)(2009)
	1. Skills Development Act (Act 97 of 1998) (as amended 2003, 2008, 2011)	Language Policy (2016) (QCTO)	Policy Framework for the realisation of Social Inclusion in the Post-school Education and Training System (2016)
		National Skills Development Strategy III (2011)	National Skills Development Strategy III (2011)
		Policy on Accreditation of Assessment Centres (2016) (QCTO)	Sector Education and Training Authority Governance Charter (2016)
		Policy on Quality Development Facilitators (QCTO) (nd)	Draft National Artisan Development Trade Test Pass Rate and Quality Improvement Strategy (2015)
		Policy on Delegation of Quality Assessment to Assessment Quality Partners (AQPS) (2016) (QCTO)	Proposal For The New National Skills Development Strategy (NSDS) And Sector Education And Training Authorities (SETAs) Landscape Within The Context Of An Integrated And Differentiated Post School Education And Training System (2015)
		Assessment Policy for Quality Partners and Part Quality Partners on the Occupational Quality Partners Sub-Framework (OQSF) (2016) (QCTO)	Assessment Quality Partners (AQPs) Criteria and Guidelines (2016) (QCTO)
		Occupational Quality Partners Sub-Framework (OQSF) Policy (Notice 597) (2014) (QCTO)	Foundational Learning Competence Framework (2015) (QCTO)
	2. Skills Development Levies Act (Act 9 of 1999) (as amended 2010)	Sector Education and Training Authorities (SETA) Grant Regulations (2012)	
	3. Higher Education Act (Act 101 of 1997) (as amended 1999, 2000, 2001, 2002, 2003, 2008, 2016)	National Plan for Higher Education in South Africa (2001)	The Higher Education Quality Partners Sub-Framework (2014) (CHE)
			A Framework for Quality Partners Sub-Framework (2013) (CHE)



Department	Laws/ Acts1[1]	Policy/ White paper2[2]	Strategies and strategic frameworks
	<b>Intent</b>	<b>Operationalisation</b>	
	4. Further Education and Training Act aka Continuing Education and Training Act (Act 16 of 2006) (as amended 2012, 2013)	National Policy On Community Colleges (2015)	Further Education and Training Colleges Draft Turnaround Strategy (2012)
		Policy for the General Education and Training Certificate for Adults: A Qualification at Level 1 on the General and Further Education and Training Qualifications Sub-framework of the National Qualifications Framework (2013) (Umalusi)	
		Policy for the National Senior Certificate for Adults: A qualification at level 4 on the General and Further Education and Training Qualifications Sub-framework of the NQF (2014) (Umalusi)	
		Policy for the General and Further Education and Training Qualifications Sub-framework (2013) (Umalusi)	
		Policy for Credit Accumulation, Exemption, Recognition and Transfer (2015) (Umalusi)	
	5. National Student Financial Aid Scheme Act (Act 56 of 1999)		
	6. National Qualifications Framework Act (Act 67 of 2008)	National Policy for the Implementation of the Recognition of Prior Learning (2013) (SAQA)	Framework for Cooperation in the provision of Career Development (Information, Advice and Guidance) Services in South Africa (2012) (SAQA)
		National Policy and Criteria for Designing and Implementing Assessment for NQF Qualifications and Part-Qualifications and Professional Designations in South Africa (2015) (SAQA)	
		Policy for Credit Accumulation and Transfer within the National Qualifications Framework (2015) (SAQA)	

Department	Laws/ Acts <sup>1</sup> [1]	Policy/ White paper <sup>2</sup> [2]	Strategies and strategic frameworks
	<b>Intent</b>	<b>Operationalisation</b>	
Department of Agriculture, Forestry and Fisheries (DAFF) w		<p>Policy and Criteria for the Registration of Quali cations and Part Quali cations on the National Quali cations Framework (2013) (SAQA)</p> <p>Agricultural Training Institutes Bursary Policy (2012)</p> <p>Agricultural Training Recognition of Prior Learning Policy (2012)</p> <p>Agricultural Training Institutes Training Policy (2012)</p> <p>Agricultural Training Institutes Admission Policy (2012)</p>	National Education and Training Strategy for Agriculture and Rural Development in South Africa (2005)
Department of Small Business Development (DSBD)	7. Co-operatives Act (Act 14 of 2005) (as amended 2013)		National Framework for Extension Recovery Plan (2011)
Department of Trade and Industry (DTI)			Youth Enterprise Development Strategy 2013-2023 (2013)
Economic Development Department (EDD)			Integrated Strategy on the Promotion of Entrepreneurship and Small Enterprises (2005)
			Integrated Strategy on the Development and Promotion of Co-operatives 2012 – 2022 (2012)
			Youth Enterprise Development Strategy 2013-2023 (2013)
			National Industrial Policy Framework (2007)
			Industrial Policy Action Plan IPAP 2016/17 – 2018/19
			The New Growth Path: Framework (2011)
			New Growth Path: Accord 1 National Skills Accord (2011)
			New Growth Path: Accord 6 Youth Employment Accord (2013)
Department of Public Works (DPW)		White Paper on Public Works (1997)	
Department of Labour (DoL)	8. Employment Services Act (Act 4 of 2014)		
	9. Employment Equity Act (Act 55 of 1998)		

Department	Laws/ Acts <sup>1</sup> [1]	Policy/ White paper <sup>2</sup> [2]	Strategies and strategic frameworks
	<p data-bbox="194 1522 227 1615"><b>Intent</b></p> <p data-bbox="243 1406 341 1731">10. Labour Relations Act (Act 66 of 1995) (as amended 1996, 1998, 2002)</p> <p data-bbox="357 1406 454 1731">11. Unemployment Insurance Contributions Act (Act 4 of 2001)</p>	<p data-bbox="194 987 227 1220"><b>Operationalisation</b></p>	
Presidency	12. National Youth Development Agency Act (Act 54 of 2008)	National Youth Policy 2015-2020 (2015)	National Integrated Human Resource Development Plan 2014-2018 (2014) (HRD Council)
			<p data-bbox="584 267 617 801">National Development Plan Vision for 2030 (2011)</p> <p data-bbox="633 232 698 801">Medium Term Strategic Framework (MTSF) 2014-2019 (2014)</p> <p data-bbox="714 209 771 801">Accelerated and Shared Growth Initiative – South Africa (ASGISA) (2006)</p>

- 1 [1] Laws set out standards, procedures and principles that must be followed. If a law is not followed, those responsible for breaking them can be prosecuted in court.
- 2 [2] A policy outlines what a government ministry hopes to achieve and the methods and principles it will use to achieve them. It states the goals of the ministry. A policy document is not a law but it will often identify new laws needed to achieve its goals

## Appendix 2: Dimensions, categories and purpose of the template for the MS Access Database

Dimension for policy review	Categories for each dimension	Definitions of key categories for policy text analysis and classification	Purpose and main policy source
<b>Basic information</b>	<ul style="list-style-type: none"> <li>Government department/ agency</li> <li>Title of policy text</li> <li>Sub-system</li> </ul>		
<b>View of skills development</b>	<ul style="list-style-type: none"> <li>Target group</li> <li>Key terms and definitions – skills development</li> <li>Key terms and definitions – skills development and poverty</li> <li>Key terms and definitions – skills development and inequality</li> <li>Key terms and definitions – skills development and unemployment</li> </ul>	<ul style="list-style-type: none"> <li>Target group: Type of actors targeted, which may include young people who have completed their formal schooling, adult workers, school drop-outs, workers in the informal economy, women, people with disabilities, rural communities, blacks and/or Africans, or where there was no mention of any of these actors, other target groups were identified.</li> <li>Skills development: How is skills development defined? Does the definition focus on education and training, the workplace, or both? Is the focus on specific types of education and training?</li> <li>Skills development and poverty: Prevention (Enabling people to avoid falling into poverty by reducing their vulnerability). Reduction (Reducing the numbers of poor people and/or transforming poor people into non-poor people). Alleviation (Alleviating the symptoms of poverty and/or reducing the severity of poverty without transforming people from poor to non-poor).</li> <li>Skills development and inequality: Expansion of access (bursaries, fund) and increasing success (support and bridging) to formal and informal education and training to previously marginalised and vulnerable groups. Opportunities for previously marginalised and vulnerable groups to access the labour market</li> <li>Skills development and unemployment: The development of skills that would lead to opportunities for both formal and informal employment. Promotion of any of the following issues/approaches: employability, responsiveness, demand or supply-driven approaches, capabilities approach.</li> </ul>	<p>The aim is to elaborate the prevailing policy worldviews by identifying the ways in which each department conceptualises skills development, or its equivalent, and proposes to address the triple challenge through skills development, given the range of possible terms and definitions that could be used.</p>

Dimension for policy review	Categories for each dimension	Definitions of key categories for policy text analysis and classification	Purpose and main policy source
	<ul style="list-style-type: none"> <li>New/wider array of actors</li> <li>Wider/expanded processes</li> </ul>	<ul style="list-style-type: none"> <li>New actors: Inclusion of new actors in decision-making roles/ governance structures, to accommodate a new/ expanded skills development vision, which may include NGOs/organisations of community and development interests, business, employer/ industry associations, employee associations (trade unions) or where there was no mention of any of these actors, other actors were identified.</li> <li>Wider processes: Inclusion of new processes to accommodate a new/expanded skills development vision, which may include Adult Basic Education and Training and non-formal education and training, or where there was no mention of these processes, other processes were identified.</li> </ul>	
Specific policy content	<ul style="list-style-type: none"> <li>Policy objectives</li> <li>Specific policy goals</li> <li>Policy instruments</li> </ul>	<ul style="list-style-type: none"> <li>Policy objectives: broad statement of intent</li> <li>Policy goals: more specific and linked to practical policy instruments</li> <li>Policy instruments: The range of mechanisms and structures created by government departments and agencies to facilitate policy implementation. Those policy instrument promoting skills development specifically are identified. May include any of the following types: Regulating instruments (acts and legislation proposed), supportive actions (this is the broadest term – technically it could include any active instrument), financial instruments, collaborative decision making, establishment of institutions, advisory body, institutional reform, interventions, schemes.</li> </ul>	The aim is to analyse policies objectives, goals and specific instruments that may relate to skills development.



